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AREA MINISTERS ASSEMBLE IN PANAMA FOR MEETING

PA080205 Paris AFP in Spanish 2357 GMT 7 Sep 83

[Text] Panama City, 7 Sep (AFP) -- In a race against time, nine Latin American foreign ministers today began arriving in Panama to start a new round of talks on the serious crisis that is threatening war in Central America. The four foreign ministers of the Contadora Group -- Mexico, Venezuela, Colombia, and Panama -- began a meeting at 1730 (2230 GMT), prior to one scheduled with their Central American colleagues for Thursday.

It was also confirmed that Cuban Vice Foreign Minister Ricardo Alarcon arrived in Panama from South America last night.

Although the Panamanian Foreign Ministry noted that Alarcon arrived in Panama while "in transit," reliable sources indicated that the Cuban official met with some of the Contadora and Central American foreign ministers. Alarcon is reportedly still in Panama, as he apparently did not leave for Havana on the Cubana Airline flight today.

The meeting that opens here tomorrow will be the fourth joint meeting of the nine foreign ministers since the Contadora Group began its peace efforts in the Central American area. The conclave, which is scheduled to last 3 days according to its organizers, will involve discussion of the various proposals for reducing political and military tension in the area.

Mexican Foreign Secretary Bernardo Sepulveda, the first to arrive in Panama, pointed out that the agenda for the meeting was approved in July by the nine ministers, and that the meeting will place emphasis on political issues. He added that other issues to be discussed include security and military topics, and the economic recovery of each of the Central American countries.

Jose Alberto Zambrano, his Venezuelan colleague, also arrived today, but made no comments to the press.

Nicaraguan Foreign Minister Miguel D'Escoto proposed today that treaties be signed among the nations of the area and with "nations outside the area that are intervening in Central America, to guarantee security in the region."

D'Escoto expressed his belief that the Contadora Group's efforts "are going well," pointing out that "it has always tried to be discreet because it truly believes that a direct, frank, and constructive dialogue can be held.

"I have great hopes that this meeting will result in a specific agreement on topics that should be the subject of treaties" between the Central American countries and those that are intervening in the area, he said.

The Nicaraguan foreign minister added that the basic task is the conclusion of treaties between the Central American nations and the United States, while reiterating that a treaty with Honduras remains the most urgent topic. "We cannot do anything, however, because the United States does not allow Honduras to act. Honduras is letting the United States dictate both its internal and foreign policy," D'Escoto added.

"Formulas must be sought that can guarantee the security of the states involved, perhaps by signing treaties or accords, but not among the Central American nations alone, because the world does not consist of only five countries."

"The basic problem is foreign intervention and the U.S. manipulation of certain countries of the area, which are being used in the U.S. war against Nicaragua," D'Escoto concluded.

Colombian Foreign Minister Rodrigo Lloreda said that the meeting's participants will study a document prepared by the Central American ministers and their respective governments that "will establish the preliminary foundations for agreements."

"We expect to create a useful and serious platform with legal agreements," he indicated.

Honduran Foreign Secretary Edgardo Paz Barnica said: "We must agree promptly on universal solutions to political, security, and economic issues, and on means of establishing international supervision." He advocated the "domestic reconciliation of El Salvador, Nicaragua, and Guatemala, which would facilitate electoral processes by which to establish democracy," and noted that it may be agreed at this meeting to create working groups for each of the topics to be discussed.

Finally, Costa Rican Foreign Minister Fernando Volio said, "I have come with optimism. The mere fact that we are able to meet moves us to try to overcome the obstacles to peace." He also said that "military factors must not be given priority over political factors, because the problem is basically a political one: How to achieve peace within the context of representative democracy."

He maintained that "we are going to make a new effort to go beyond declarations and to enter a practical and realistic stage in which to find formulas to achieve peace in Central America."

The four Contadora Group foreign ministers met this afternoon with President Ricardo de la Espriella at a protocol meeting, while the foreign ministers of El Salvador and Guatemala are expected to arrive tonight.

BRIEFS

COFFEE PRODUCERS' FRONT -- Adolfo Carrera, president of Guatemala's National Coffee Association, has reported that at a meeting of Latin American Coffee producers, held in Mexico City last week, the delegates -- representing El Salvador, Honduras, Nicaragua, Costa Rica, the Dominican Republic, Peru, Ecuador, Venezuela, Mexico, and Guatemala -- agreed to act as a common front at the next annual meeting of the International Coffee Organization (ICO), scheduled to be held in London in September. The Latin American coffee producers will seek ICO decisions that act to improve market conditions for coffee producers, including the creation of an agreed-upon price range and the rationalization of the nontraditional market, which is not subject to a quota system. This last objective is of special importance to Latin American producers, who supply 50 percent of the coffee sold on this market, amounting to 5 million sacks of coffee per year. [Summary] [Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 26 Aug 83 PA]

AIR FORCES' COMMITTEE MEETS -- The 6th meeting of the protocol and public relations committee of the Air Forces of the Americas began in Santa Cruz de la Sierra, Bolivia, on 5 September. [Summary] [La Paz Cadena Panamericana in Spanish 0000 GMT 6 Sep 83 PY]

PATROL GROUP ATTACKED BY UNIDENTIFIED PERSONS

PY072133 Buenos Aires DYN in Spanish 2002 GMT 7 Sep 83

[Text] Formosa, 7 Sep (DYN) -- The commander of the 29th Forest Rangers Regiment based here reported today that one soldier died and a noncommissioned officer lost an arm when they were attacked by unidentified persons while on patrol at this military unit.

The military authorities stated that the attack occurred at 2300 last night and that investigations are being carried out to determine the reasons for the attack and the attackers' identity.

NAVY TO CARRY OUT EXERCISES 14 SEPTEMBER

PY071545 Buenos Aires TELAM in Spanish 2015 GMT 6 Sep 83

[Text] Ushuaia, 6 Sep (TELAM) -- Rear Admiral Raul Alberto Mino, commander of the southern naval area, has announced a 14 September naval exercise covering the entire area under his jurisdiction.

The admiral said that this training exercise will involve naval and naval air operations with the participation of fighters, reconnaissance planes, and helicopter-transported marine infantry units.

The military exercise will be logistically supported by the Ushuaia Naval Base, the Rio Grande Air Naval Base, and the Ushuaia Air Naval Base, bases which obviously will play a very important role during the exercise.

Admiral Marino said that the exercise will test the overall power of the naval, naval air, and marine infantry forces in a precise, coordinated effort, because in order to prevent mistakes and achieve effective operations, precise operations must be planned.

He also emphasized that the exercise will peak the gradual graining in the southern naval area, training during which all the experience gained in the Malvinas operation has been applied. He added that this exercise involves only the Navy so it can rely on itself through its own training -- always with the objective of defending national security.

The southern naval area commander emphasized that this operation is based on the Navy's objective of fulfilling its fixed mandate through training.

In conclusion, Admiral Marino said that the Navy relies on its own men and works with responsibility and firmness to achieve its objectives in order to support the great national objectives.

CNEA HEAD DISCUSSES HEAVY WATER PURCHASE

PY022235 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1900 GMT 1 Sep 83

[Text] Buenos Aires, 1 Sep (NA) -- The head of the National Atomic Energy Commission (CNEA), Carlos Castro Madero, made it clear today that Argentina will buy from the FRG "only 38 tons of heavy water and not the 140" mentioned in a press report. Castro Madero discussed the "economic problems" facing the Argentine nuclear program during a meeting with President Reynaldo Bignone.

During the meeting, which was held at Government House, it was officially reported that Bignone and Castro Madero "outlined possible solutions" for overcoming "the difficulties that the nuclear program is undergoing due to insufficient funds" for development.

The CNEA head, answering a NOTICIAS ARGENTINAS question on another subject, denied that all of the heavy water tonnage offered by the FRG for the Argentine nuclear program will be purchased. Castro Madero said that "we will only buy 38 tons of the 140 offered," and he added that the remainder would constitute "what we call a contingency reserve to meet possible emergencies in the maintenance of our nuclear power plants." Thus, Castro Madero denied a press item that indicated that the Argentine Government would buy "approximately 140 tons of heavy water" from the European country.

Castro Madero also talked about the current nuclear energy negotiations with Libya. This had also been harshly criticized in the press report. In this regard, Castro Madero reiterated that these negotiations are related to an agreement signed with Libya in 1974 during the Peronist government and later ratified in 1979 by President Jorge Videla. Castro Madero added that "all that has been done" in fulfilling that agreement was disseminated "every clearly to the public," referring to the visits that various Libyan Government missions made to the country.

Castro Madero made it clear that the talks held so far between the two countries "have failed to produce anything substantial" in bilateral nuclear energy cooperation, since the Libyan missions "have thus far not shown any great interest."

Regarding the U.S. decision to authorize the FRG to sell heavy water to Argentina, Castro Madero believes that it is "a very positive diplomatic decision." He added that this constitutes "a move that contributes to improving the relations between the two countries."

During the meeting he had with Bignone, the CNEA chief discussed the problems encountered in the construction of the heavy water plant in Neuquen Province and the Atucha II nuclear power plant. Castro Madero remarked that, according to the official report released by Government House, "funds are required to proceed with the work." Castro Madero also made it clear that work "has not stopped, but there is little progress due to the existing economic problems of the CNEA."

The official report also indicated that Castro Madero had pointed out that the present situation "has led to problems with the Construction Labor Union due to the layoffs effected by the contractors."

BRIEFS

TELECOMMUNICATIONS MEETING OPENS -- Communications Secretary Brigadier General Angel Alejandro Balbieri at noon today opened the second general assembly of Latin American centers for telecommunications research and studies. The meeting, which was opened at the post office headquarters, is being attended by national representatives along with representatives from 14 other Latin American countries. [Summary] [Buenos Aires Domestic Service in Spanish 1600 GMT 5 Sep 83 PY]

LICENSE FOR RADIO STATION -- Buenos Aires, 31 Aug (TELAM) -- The Public Information Secretariat has reported that Radio Difusora Buenos Aires S.A. has been granted the right to use and manage 144-Radio Splendid for 15 years as part of the Privatization Plan. [Summary] [Buenos Aires TELAM in Spanish 1930 GMT 31 Aug 83 PY]

ANTIGOVERNMENT INCIDENTS CONTINUE IN SANTIAGO

30 Arrested 6 Sep

PY071200 Madrid EFE in Spanish 0359 GMT 7 Sep 83

[Text] Santiago, 6 Sep (EFE) -- Today about 30 persons were arrested during a demonstration in which over 500 participated against the military government of General Augusto Pinochet.

The demonstration began at the national library when several student groups shouted slogans against the government and displayed signs against the military. The demonstrators then went to the La Moneda Palace, the government headquarters, but they were intercepted by Carabineros.

There were incidents between the police and the demonstrators, who tried to display signs against the military regime and shouted slogans such as "The people united will never be defeated" or "Get out, get out." The incidents lasted 2 hours, disrupting traffic in the area, and the police arrested about 30 people.

According to the police, 12 people will be turned over to the military "for attacking the Armed Forces physically and with words." The same sources indicated that the remaining will be set free at night after they have been identified.

Government Suspends School Classes

PY071537 Paris AFP in Spanish 1502 GMT 7 Sep 83

[Excerpts] Santiago, 7 Sep (AFP) -- It has been officially announced that the Chilean military government today suspended classes at all elementary and secondary schools in order to prevent the students from getting involved in street incidents. It was explained that the classes will be suspended for the rest of the week until the regular period of vacations which will begin on Monday.

Police Detain Danish Reporter

PY072139 Paris AFP in Spanish 1849 GMT 7 Sep 83

[Text] Santiago, 7 Sep (AFP) -- A Danish reporter was detained today while on an assignment in a workers' neighborhood on the outskirts of Santiago on the eve of the fifth day of national protest against the government of General Augusto Pinochet.

Eyewitnesses stated that Jens Michael Daugaard, a correspondent for several Danish and Swedish newspapers, was arrested in the suburban area of La Bandera, south of Santiago, by a Carabineros militarized police patrol.

According to Danish Embassy sources, Daugaard was set free a few hours later, and authorities told the Danish Embassy that Daugaard was mistakenly detained with great regret.

The Santiago suburban neighborhoods have been scenes of violent clashes between police and demonstrators during the previous 4 days of national protest promoted by the unions and opposition parties over the past few months.

Police Disperse Crowds; No Arrests

PY080014 Paris AFP in Spanish 2234 GMT 7 Sep 83

[Excerpts] Santiago, 7 Sep (AFP) -- Students and workers were repressed today by the Chilean police during the demonstrations staged for the second consecutive day on the streets of downtown Santiago, just a few hours before the fifth day of national protest scheduled for tomorrow. According to official sources, no one was detained or wounded during the latest incidents, but the Carabineros militarized police used clubs and water cannon to disperse the demonstrators.

Today's demonstrations were staged around several high schools in downtown Santiago, where students joined a march held by dozens of workers who were dismissed from the large state copper mines and who demand reinstatement.

The education minister ordered the suspension of classes in these schools at noon, and the authorities from some schools of the University of Chile adopted the same measure. At the engineering school, the superior academy of pedagogical sciences, and the Andres Bello University campus, groups of persons supported the fifth day of national protest by marching and shouting slogans, but it was reported that no one was detained when the police arrived.

In the city of La Serena, 470 km to the north, government agents arrested nine members of a leftist commando who were in a safehouse, according to an official report. The authorities said that the group, including a woman, had placed bombs at different points of La Serena and that they had weapons, ammunition, explosives, and pamphlets urging the people to join the demonstrations tomorrow.

Interior Minister Sergio Onofre Jarpa stated that no extreme measures will be adopted this time to maintain public order, but he warned that this government will not allow itself to be dragged down or pushed about by minority Marxist groups. Jarpa, who a few hours ago called on government supporters to be organized in order to defend it, added that if necessary the overwhelming majority of Chileans will stand up to prevent Chile from being tied to the wagon of foreign totalitarian imperialism.

Three Killed in Shootout

PY080228 Paris AFP in Spanish 0134 GMT 8 Sep 83

[Text] Santiago, 7 Sep (AFP) -- It has been reported that three persons were killed tonight during a shootout between armed civilians and unidentified persons who were occupying a house in a Santiago residential neighborhood. Radio Cooperative reported that a woman and two men were killed in the shootout and that a violent explosion was heard. The clash took place on the eve of the fifth national day of protest called by the opposition Democratic Alliance.

Havana Reports on Developments

PA061711 Havana International Service in Spanish 1600 GMT 6 Sep 83

[Text] Anselmo Sula, first secretary of the Chilean Radical Party, has asserted in Mexico City that the immense majority of Chilean people are demanding the resignation of fascist regime leader Augusto Pinochet in order to initiate a process of authentic democratic restoration.

Pinochet wants to launch a false democratic opening, but the Chilean people want an authentic democracy that the dictator seems unwilling to grant, since he has expressed his intention to remain in power until 1989, Sule, who is also vice president of Socialist International, stressed.

Meanwhile, the repressive forces dispersed with blows the demonstrations staged against the fascist regime on the university campus, in three capital city neighborhoods, and in front of the seat of congress, which the tyranny closed 10 years ago.

Chilean Interior Minister Sergio Onofre Jarpa has explained that the regime does not oppose the staging of the fifth national protest drive, which has been announced for Thursday, so long as it is held peacefully. However, he added, such demonstrations seek only to promote incidents.

For his part, Christian Democratic leader Andres Zaldivar, who has just returned to Chile after 3 years of exile, has said that the Chilean people are entitled to demand a return of freedom and justice. He also stressed that beating on a pot is no reason for being shot.

POLL SHOWS MAJORITY SUPPORTS NATIONAL PROTEST

PY080118 Madrid EFE in Spanish 0849 GMT 7 Sep 83

[By Juan Carlos Munoz]

[Excerpt] Santiago, 7 Sep (EFE) -- Last night the ultrarightist "National Action Front" [Frente de Accion Nacional] announced its intention to create civilian commandos throughout the country "to defend the government, along with the armed and security forces." This announcement was made at a highly sensitive time for Chilean policy.

The front also voiced its opinion on the protests by requesting everyone "to reject that path which is becoming increasingly virulent and threatens to become urban guerrilla warfare and an unleashed riot."

Yesterday, Santiago Archbishop Msgr Juan Francisco Fresno, one of the key figures in Chile's current situation, surprised many by announcing that he had helped start the dialogue, but that from now on the government and the opposition will have "to continue this rapprochement alone."

His statements regarding the national protest scheduled for Thursday were more reserved. He stated that it was a "purely political" subject but that the protest represents "the peoples' point of view regarding their troubled work situation."

According to the results of a poll published by the weekly ESTRATEGIA, which specializes in economic subjects, the protest is supported by the majority of Chileans.

According to the results of the poll, 51.7 percent of the people who gave their opinion said that the protest was "positive," and that "it was a way of saying this is enough" and that it has brought "positive changes."

Only 15.9 percent believe that the protest "leads us nowhere," 4.2 percent maintained that they are "violent," and 4.2 percent voiced their disagreement because they "cause deaths." In answer to the question on whether these protests should continue, 58 percent of the people answered "Yes"; 39.1 percent said "No"; and 2.8 percent said that "they did not know."

According to the poll, 57.4 percent called the administration of Minister Jarpa (interior minister and the cabinet's strongman in charge of the dialogue with the opposition) "positive"; 58.6 percent also called the dialogue between the government and the opposition positive.

Some 27.5 percent of the people said the country's political situation is "average" and 68.3 percent said it is "bad."

OFFICIALS DISCOUNT RUMORS OF CABINET CHANGES

PY072214 Paris AFP in Spanish 1934 GMT 7 Sep 83

[Excerpt] Santiago, 7 Sep (AFP) -- The Chilean authorities today downplayed rumors about the possible resignation of Finance Minister Carlos Caceres and other cabinet members because of imminent changes in the economic policy.

Minister Caceres, who has played a decisive role in the renegotiation of Chile's foreign debt, said that he had not resigned. However, Caceres said that the appointments to ministerial posts are made exclusively by President Augusto Pinochet.

These rumors were prompted by the announcement made by the interior minister over the weekend that he would amend the liberal model to get the country out of the present economic crisis, which is the worst since the 1930's.

Presidential Secretary General Alfonso Marquez de la Plata has denied that the announcement made by the interior minister means there is disagreement between political assistants and the economic team.

INTERIOR MINISTER URGES CITIZEN DEFENSE GROUPS

PY071417 Santiago Domestic Service in Spanish 1100 GMT 7 Sep 83

[Report from Government House by Graciela Contreras]

[Excerpts] Speaking to a women's volunteer organization on Chile's current situation, Interior Minister Sergio Onofre Jarpa yesterday said that the government's political stance has not changed and that the government is acting in keeping with constitutional provisions.

Minister Jarpa also asked the Chilean people to organize themselves. [Begin Jarpa recording] It is necessary to create groups of neighbors and groups of mutual support in the various neighborhoods. It is also necessary to create committees like those which operated in each block at previous times, in order to provide for mutual help and to defend what we have. Police cannot be everywhere in the city. Therefore, we should not always expect that police will come to defend our properties and our tranquillity. We should organize ourselves. Each neighborhood, each residential area, and each sector can organize itself. I do not mean that we will undertake violent actions, but I do mean that it is necessary to take defensive actions with determination should any group of violent people attempt to disrupt order in an area where we carry on our activities or where we live. [end recording]

Minister Jarpa said that this is not the time for hesitation. Today we have much more experience, means, and people, he said. We are also more deeply aware of our own responsibilities, and we have also taken a considerable step forward in the building of the future of our nation.

That is why our position is now stronger than ever; we will show this in the next few days and in the next few years, when all of us together will make a joint effort to overcome the crisis, he concluded.

OPPOSITION LEADER VALDES HOLDS PRESS CONFERENCE

PY080239 Santiago Radio Cooperativa in Spanish 1715 GMT 7 Sep 83

[Report on press conference granted by Chilean Christian Democratic Party leader Gabriel Valdes to unidentified reporters -- time and place not given]

[Text] [In progress] ...warned that if the government does not establish a timetable, a deadline, and an agenda, he will abandon the dialogue.

During a press conference, Democratic Alliance leader Gabriel Valdes also made an evaluation of the 10 years of the current regime. Valdes made clear that he hosted the conference in his capacity as president of the Chilean Christian Democratic Party.

[Begin Valdes recording] After these 10 years, we see that there is a deep economic crisis, a steep decline in the Gross National Product, the world's highest per capita indebtedness, a very high inflation rate that has reached 34 to 35 percent of the labor force, and caused a decline in industrial activity; we also find that the number of manufacturing units has been reduced by 15 percent compared to (?1970), that the agriculture sector has been totally neglected, and that there is a considerable number of dismissed workers and debtors. The area of land dedicated to agriculture in 1982 was the smallest ever for this century, while investment has also declined. Beyond all doubt, we are going through the worst economic crisis in Chilean history. [end recording]

Former Foreign Minister Valdes noted that the regime is completely worn out. [Begin Valdes recording] That is why I can say that these 10 sad years have been useless in the history of our nation. This has given rise to a very explosive situation. But it is not explosive because of the opposition, but rather is the result of a wrong and recessive [words indistinct]. The government has resorted to repression and threats; it has not built a political system; (?and now it is not willing) to build one either. [end recording]

Valdes added that the government has recently stepped up its threats against the people. This is not the way to bring tranquillity to our country, he noted. [Begin Valdes recording] The government has not allowed the people to express their concerns. The absence of channels through which the people can express their concerns is generating tension. As the old saying goes, he who sows the wind will reap the whirlwind. We are very much concerned about this. [end recording]

For 10 years, he said, we -- who advocate pacifism and democracy -- have been the target of violence. [Begin Valdes recording] Because there is violence in sending someone into exile; there is violence in the creation of the CNI [National Intelligence Center] and secret jails; there is legalized violence; there is violence in the fact that 18,000 soldiers were brought to Santiago. All of this involves violence. The president makes violent remarks. There is violence in the situation we are going through. And violence generates more violence. We want to break this cycle. Something similar happened in Cuba, in Nicaragua and, after 43 years, in El Salvador, where conditions were ripe for violence. We do not want that for Chile. [end recording]

Gabriel Valdes then referred to the remarks made by Interior Minister Sergio Onofre Jarpa, who called the protest a criminal action.

[Begin Valdes recording] I categorically reject the minister's remarks. Those who participated in one of the four protest actions cannot be people who advocate violence. Those who peacefully voice their dissatisfaction, when there are no other channels to let their voices be heard, have the most legitimate moral right to do so. Parties have been banned, unions have been not allowed to express their concerns, and unions have been punished. How can the people express their feelings? They did it by banging pots and pans for 1 hour, in a very simple, humble, and domestic action. But the banging of pots was answered with bullets. And then the people who staged the protest were charged with advocating violence. This is unacceptable in the eyes of the world and from the viewpoint of the most elementary moral principles. [end recording]

Valdes said that during the dialogue they asked that an investigation be conducted into the incidents that occurred during the last protest action, so that an answer could be given to many questions, such as, why were all the victims civilians? There is tangible evidence, he remarked, that both military and paramilitary forces behaved violently.

[Begin Valdes recording] And now we see that after 10 years, the situation is the same as the one that prevailed in 1973. And Minister Jarpa says that the people must defend themselves and get organized, create commandos. But, what kind of words is he using! How is it possible that we should once again resort to the words that were used in 1973? I then wonder, what has the government done in 10 years? We are returning to the same situation we had in 1973. No progress has been made. When Minister Jarpa called upon the people and the opposition to the Popular Unity [UP] government to organize themselves, because the UP is organizing the social forces and therefore [words indistinct] constitutional, with good reason [words indistinct] don't you think that it is dangerous, and that it is not the minister's responsibility to call on the community so that one sector can confront the other. It is his responsibility to maintain public order with the tools that the law has given him; he is not supposed to call upon the people to take defensive measures against themselves. This is a provocation. [end recording]

Valdes remarked that to stage a protest action does not mean to go against the dialogue. Protest actions, he said, are spontaneous, and what we are doing is to conduct them along a peaceful course. [Begin Valdes recording] We insist that tomorrow's 1-hour protest action, which will be marked by turning out lights in homes -- a modest though massive action -- must be absolutely peaceful. We reject all attempts to promote violence. We will not accept violent actions. We will not consider ourselves responsible for any violent action. We condemn violence. But, please let the people express their concerns. Do not frighten them. A gigantic campaign has been launched in Santiago and throughout the entire country, generating an atmosphere of violence. He who sows the wind shall reap the whirlwind. It is true that this campaign will frighten many people. Many neighborhoods may be silent tomorrow. But, does the government believe that this silence is an indication of support for the regime? Does it believe that it will gain supporters by frightening the people? Will it continue frightening the people for some more years, without adopting a single measure for a solution to the crisis? [end recording]

The days of protest have been extremely useful, Valdes remarked. Unfortunately, he added, there are those who committed abuses and undertook violent actions. We know very well, he explained, the sector that undertook those actions.

[Begin Valdes recording] There are evaluations made by impartial parties. Those evaluations, which were handed over to the Papal Nuncio's office, clearly reveal the origin of violence, explain how the people's homes and neighborhoods were raided, report the presence of armed civilians, explain that people getting off buses caused a blackout in Valparaíso [as heard]. We know very well what happened. [end recording]

Valdes then referred to the positive results of the days of national protest. [Begin Valdes recording] The first and second protest actions yielded significant results, namely, freedom of, well, censorship on books was lifted. The third and fourth protest actions evidently permitted a massive return of exiles and a de facto recognition of parties. Weapons were used in all protests. In the first and second protest actions, weapons were used against the copperworkers. They were then used against politicians, some of whom were jailed, like me. Later, the Army was used to frighten the people. The fourth protest action undoubtedly resulted in the beginning of the dialogue. And now, before the fifth action, we already have a positive result, no matter how large or small the fifth protest may be: the government and the public have recognized that the people's socioeconomic situation is [word indistinct]. [end recording]

Gabriel Valdes also voiced his concern over the continuation of the dialogue being held by the government and the opposition. [Begin Valdes recording] We are looking for consensus in the dialogue. But, watch out! We have been seriously concerned after the second meeting, because we have not been given what we asked for the first time we met with the minister. We requested a timetable, an agenda, deadlines, and not just words. We obtained none of this. Watch out! This is not yet a dialogue; this is only a preliminary stage that may lead to dialogue. Dialogue is based on [words indistinct] agreement. We have shown our good faith. We believe that the public will understand that we have been generous. We agreed to hold talks with the minister. This is a sacrifice for us, because we belong to the opposition. We made that effort because we believe that it is our patriotic duty to do everything in our power to reach an agreement. Because we must do every thing to prevent violence. But neither patience nor hopes last forever. [end recording]

The government, Valdes explained, must be careful not to play with the people, and not to fool those who believe in the government's word that it is willing to restore democracy. And, Valdes stressed, democracy must be restored now.

Now that unstable conditions prevail in both the internal and external fronts, Valdes explained, a radical and quick change is necessary, followed by the imposition of a war economy that calls for sacrifice and that must be designed with the help of workers and of the poorer sectors, who feel that they carry the heaviest burden. In conclusion, Valdes remarked that the dialogue cannot go on without a specific answer from the government.

COMMUNIST PARTY LEADERS CALL FOR PINOCHET OUSTER

PY071855 Paris AFP in Spanish 0401 GMT 7 Sep 83

[Text] Santiago, 7 Sep (AFP) -- Today the proscribed Communist Party of Chile (PCCH) issued a plea for the ousting of General Augusto Pinochet's military regime, and rejected dialogue with the government as a means of solving the crisis which the country is enduring.

During a press conference held at the home of late Chilean poet Pablo Neruda, Nobel prize winner in literature, six grassroots leaders of the PCCH issued a plea to replace the current regime with a provisional government formed by all the opposition political parties without exception.

The Communists stressed that the people do not wish nor seek a confrontation, and pointed out that those who persist in perpetuating themselves in power are responsible for the current situation.

The PCCH, which was excluded from the Democratic Alliance [AD] formed by rightists, Christian Democrats, Social Democrats, and Socialists, was declared illegal by the military regime which ousted leftist President Salvador Allende in 1973.

The PCCH neighborhood, student, and labor leaders stated that the people do not want violence, but neither are they willing to adopt a passive attitude in view of aggressions and, therefore, they will resort to every form of defense and self-defense.

The leftist leaders pointed out that the Peoples' Democratic Movement [Movimiento Democrático Popular -- MDP] will be formed by the Communist Party, the Christian left, factions of the Socialist Party, and the United Popular Action Movement (MAPU), in addition to social and peoples organizations.

The PCCH pointed out that the widespread unity of the opposition to the military regime will surface with the development of events, and also called on the Democratic Alliance for a united action, pointing out that they agree with that political front in the most important issue -- a change of regime.

Regarding the Armed Forces, the leaders stated that the people do not seek revenge, but that the armed forces institutions should be subject to the provisional government.

Patricia Torres, leader of the human rights youth committee; Eduardo Valencia, president of the coordinating board of inhabitants of the metropolitan area; Raul Montecinos, national leader of the copper workers; former Deputy Maria Maluenda; former Public Works Minister Pascual Barraza; and former student leader Jaime Insunza took part in the press conference.

BRIEFS

BANK LOSSES -- Santiago, 22 Aug (AFP) -- The state bank superintendency has reported that Chile's banking system lost \$326.5 million in the first half of this year, and that out of the approximately 40 national and foreign banks, only 10 made profits totalling \$20 million. [Text] [Paris AFP in Spanish 1443 GMT 22 Aug 83 PY]

CHAMBER OF DEPUTIES CENSURES ATTORNEY GENERAL

PY080210 Paris AFP in Spanish 1623 GMT 7 Sep 83

[Text] Lima, 7 Sep (AFP) -- The Peruvian Chamber of Deputies last night expressed amazement over the statements made by Attorney General Miguel Cavero. Cavero had offered to talk with the Shining Path terrorist group to appeal to their patriotic spirit to end the bloodbath.

The motion of censure against the attorney general of the nation, which is the name given him in the Constitution, was approved by 71 votes from the representatives of the Popular Action [AP] (official party) and the Christian Popular Party (cogoverning party) against 35 votes from the American Revolutionary Popular Alliance and the Marxist Left, which belong to the opposition.

The motion of censure states: "In view of the statements made by the attorney general on 28 August to the effect that he identifies to a great extent with Shining Path terrorists because both want the best for Peru and share the same patriotic spirit, the Chamber of Deputies hereby expresses amazement over the statements made by the attorney general of the nation.

Since the attorney general had stated that he would not resign from his post in spite of hints made to him, deputies of the majority warned him of an indictment on charges of betraying the fatherland.

AP deputies stated last night that instead of defending the law, the attorney general, who has been defended by daily and weekly publications as well as by the opposition, has lost moral authority through his ridiculous actions.

DEPUTY DENOUNCES CUBAN QUECHUA BROADCASTS

PY071320 Madrid EFE in Spanish 0351 GMT 7 Sep 83

[Text] Lima, 6 Sep (EFE) -- Peruvian Deputy Victor Garcia today denounced the fact that a Cuban radio station broadcasts in Quechua and can be heard in Peruvian territory. Garcia termed this "clear Cuban interference in our domestic affairs."

In statements to the state-owned news agency ANDINA, Garcia added that the Cuban station's program in Quechua refers to the government's actions in its struggle against terrorism.

Deputy Garcia, who represents Pasco Department, said that he had received reports from his region stating that the Cuban station can be heard there and in Ayacucho.

He termed the programs in Quechua as an "unfriendly" act of the Cuban Government toward Peru.

The deputy reiterated that the programs refer to "the government's actions aimed at thwarting the subversive wave unleashed by the Shining Path group in the central region."

Garcia states that "the government must carry out a thorough investigation in order to determine who supports these programs broadcast to the peasant sector, but which distort the truth of the events."

He then stated: "Then I think that we should lodge an energetic protest with the Cuban Government."

PERUVIAN BISHOPS ISSUE PASTORAL COMMUNIQUE

PY071329 Paris AFP in Spanish 2343 GMT 6 Sep 83

[Text] Lima, 6 Sep (AFP) -- In a pastoral admonition disseminated in Lima today, Peruvian bishops chastised terrorism and torture, expressed their doubts on the effectiveness of the death penalty as a deterrent against felonies, and appealed to the media not to disseminate news that may be damaging to the people.

The admonition begins by stating that the escalation of violence against life forces us to speak as pastors, and then adds, to speak is to object to violence against our fellow men.

The admonition, therefore, is referring to the plans of reestablishing the death penalty in Peru which was abolished, except for cases of treason to the fatherland during a war with another country, by the Constitution enacted in 1980. According to government spokesmen, the death penalty would be the most effective means of fighting terrorism.

In this regard, the prelates say that experiences drawn in related areas raise serious doubts about the effectiveness of this penalty as a deterrent to the evil that we all want corrected. The prelates add that, in case the death penalty is reestablished, very strict standards will have to be set up to lessen the risks of making a mistake in such a serious matter.

With regard to terrorism, the prelates quote the words of Pope John Paul II on violation of self-esteem, human life, and its roots.

We also want our message to reach all those Peruvians who have taken the wrong path by using destructive force to change society, the bishops said. And by making an appeal to all Peruvians to face the economic crisis, the prelates are also asking that the legal road to justice be expedited, that equal attention be given to the rich and to the poor, and that priority be given to public works in the most neglected towns.

The Peruvian Catholic hierarchy then declares that in no way may torture or physical abuse be justified to obtain a statement, which would, in such a case, be of dubious value anyway.

The prelates go on to note that this must not be interpreted as overlooking the self-denying effort exercised by the police to restore order and uphold the law, and by those who have risked their lives for the sake of their country.

In conclusion, the prelates remind the media of their responsibility to the Peruvians of today. Today there are many things which are exhibited, said, and written which are distorted and cause damage not only to the youths but to all men and women, the bishops remark.

COMPARISON OF PRESIDENT'S STATE OF UNION ADDRESS

PA031650 Mexico City NOVEDADES 2 Sep 83 Special Supplement pp 1-7

[Mexico City NOVEDADES in Spanish on 2 September 1983 publishes, in a 7-page insert, the text of the state of the union address delivered by Mexican President Miguel de la Madrid on 1 September. Because it contains extensive corrections, fills, and variations to the Mexico City Domestic Service version published in the 2 September Latin American DAILY REPORT, page M 1, the NOVEDADES "text" is published below in its entirety.]

[Text] Honorable Congress of the Union, Mexicans:

In compliance with Article 69 of the Constitution of the United States of Mexico, I am attending the opening session of this popular representation for the purpose of presenting the report on the state of the country's public administration. At this time, I am delivering the written report, whose main text is contained in 275 pages and 13 annexes which detail the actions taken. I began my administration with two reference points: the political commitments deriving from the 4 July 1982 electoral mandate and the demand to improve the prevailing economic situation decisively and firmly. It was an economic situation which, if not halted, threatened the political and social stability of the country.

Seven basic principles comprised the electoral platform that the Mexican people chose with their vote. Revolutionary nationalism is the primary value of our political ideology. Nationalism and revolution are indivisible concepts. History has made us nationalists because of the vital need of subsistence in the face of foreign ambitions and aggression and in the face of divisive forces which affected us at other times.

We are revolutionaries because of our continuing determination to build a free, just, and prosperous society, which we Mexicans aspire to have. Based on freedom, justice, and democracy, revolutionary nationalism has been rooted in our national culture and in our process over the ages. It is the result of the ideological sequence of our popular struggle for independence, reform, and revolution. It is the political philosophy which began with Hidalgo and Morelos. It was reaffirmed with Juarez and the liberals. It received new blood with Madero and Carranza in the Constitution of 1917 and was continued with the post-revolutionary regimes. It is the great force which, based on the conscience of a common past, gives us the solidarity and the unwavering determination to sustain ourselves as a viable and sovereign nation in the future.

Complete democratization [democratisacion integral] also comes from our historical process. The drafters of our Constitution of 1917 conceived democracy as a political structure, a judicial system, and a way of life founded in the continuing economic, social, and cultural prosperity of the people.

Complete democratization demands that political power be based on the basic concepts of majority rule and respect for the letter of the law in order to guarantee the civil liberties of men and guide national life toward a balanced and just development.

Democracy must be organized by strengthening the balance and cooperation among government branches, federalism, and free municipalities; by organizing political life on the basis of respect for ideological pluralism; by promoting citizen participation through the exercise of their rights and the obligation of leaders to take actions in accordance with the people's mandate.

Complete democratization also requires the wide and fair participation of the various social groups in the economic affairs of the country and in the rest of the issues of social life. Let us aspire to have an equitable society, which means to have a fair social order, since the great disparities from which we have suffered limit, and even obstruct, the actual enjoyment of freedoms and social rights, thus obstructing the true practice of democracy.

An equitable society requires a constant and renewed will to continue to seek the establishment of equality in our social life. Moral renovation was defined as the restrengthening of all that may provide and guarantee the fulfillment of our duty toward the nation. I offered to inspire, with the government's example and with my own conduct, the commitment of all Mexicans to strengthen our values. Our guide is the law.

Decentralization of national life is firmly connected with the fundamental political decision to abide by the federal system. If the changes brought about by the revolution called for concentrating efforts, the complexity of the social fiber and the need for a more equitable development throughout the land today demand a distribution of these efforts.

Sustained development, creation of jobs, and the fight against inflation are the proposals for the country's economic transformation. Placing man as a priority, these criteria combine quantitative and qualitative achievements, and confirm constitutional principles for leadership of the state, a mixed economy, and economic liberties. It is a fundamental leadership strategy, not only in the face of adversity but to achieve structural change.

Finally, society demanded the implementation of changes in a national manner to make better use of our resources, encouraging people's participation in these changes. Thus came the need to establish democratic planning. These criteria have guided the actions of my administration, because the people voted for these criteria. Despite the adversities we have encountered, these criteria will continue to guide the actions of my administration, and I will continue to apply these criteria in the exercise of our actions.

On 1 December, I began my term of office amid a deep economic crisis that permeated our entire society. We were on the brink of confrontation with a domestic climate of great distrust, uncertainty, and severe problems abroad. Because of this, the economic issues of the crisis threatened to become a serious social and political upheaval. The system we Mexicans had created for ourselves was at stake. If we had let the currents carry us, or had opted to adopt a gradualistic policy so as not to affect certain interests, the country could have been seriously harmed. It was an emergency situation.

I offered to serve with truth and to tell the people what could and what could not be done. I have dedicated myself to explaining clearly to the nation the roots underlying the crisis we were experiencing. I could not demand from society the difficult effort required for resolving the crisis without a thorough understanding of the problems.

Internal and external forces combined to create one of the worst crises in our country's history. The new administration acquired an economy characterized by the collapse and decrease of production, high inflation, growing unemployment, a skyrocketing increase in government and currency deficits, falling savings channeled through the financial system, sharp devaluation of the peso, losses in monetary sovereignty, exhausted foreign reserves, a foreign debt of unprecedented magnitude, and the virtual suspension of payments to our international creditors with the subsequent interruption of our economic relations abroad.

This situation accelerated as 1982 progressed. The gross national product increased in the first few months, but collapsed in the last few months, pulling down employment as it fell and inflation tripled during the year. The peso was devalued sixfold. The development process was paralyzed, and the bases to achieve improvements in the welfare of the majority deteriorated, including those to maintain the levels already achieved.

We were facing not only a circumstantial crisis, but a structural one as well. One that affected not only the economy but that caused strife between different social sectors that involved division of our governing principles and in some cases the organization of the nation itself.

These elements of the internal crisis mingled with an international situation characterized by instability, uncertainty, fear, and the impossibility to maintain the economic development and the employment in most countries of the world, regardless of whether they were capitalist, socialist, or a mixed economy.

Mexico was particularly affected by the decrease in the demand for and the drop in prices of oil on the international market, the curtailment of the available financing resources, and the increase in interest rates. A peso that was overvalued in comparison to the dollar caused a strong flight of capital.

Nevertheless, internal factors aggravated the impact of the international situation in the country. Each one taken alone cannot explain the crisis by itself, but added together, they caused the severe and acute problems that we were experiencing. In the face of this situation, we decided to act with determination, firmness, and a clear sense of the direction that we want.

As a central objective, we proposed maintaining our institutions in the framework of the freedoms established by our Constitution. The state framed its determined reply in a democratic context in response to the mandate it received and by recognizing the growing pluralism of Mexican society. This required attacking the economic crisis at its roots and making the qualitative changes necessary to reorganize our institutions, recover confidence, and prevent the disruption of social solidarity.

The immediate program for economic reorganization was begun on 1 December. Its 10 points outlined the measures to face the crisis. Its purpose was to regain the stability indispensable for the operation of the economy with realistic and firm decisions, regardless of how harsh these might seem. We were determined to attack all the roots of our principal problems simultaneously by implementing a strategy of qualitative changes based on the seven basic thoughts outlined during my campaign which established the bases to transform the quality of the country's structures.

My government is seeking economic stability and structural changes at the same time. Mexican society demands change, realizing that there are deviations and mistakes to be corrected, shortcomings to be overcome, and new forms and styles that must be adopted. This demonstrates our vitality as a young nation, but this must not make us forget that we are a people with serious traditions. It is not a question of inventing ourselves anew and forgetting what we have achieved with the efforts of the previous generations.

The change that we propose is revolutionary and progressive. History cannot, must not, turn back. It is a nationalistic transformation conducted by ourselves, according to our political doctrine and experience based on our specific reality. We propose the changes based on the laws and the institutions with respect for our fundamental values of freedom, democracy, and justice. We propose a change that makes adjustments and corrections, that overcomes and constructs, and that will take us to a higher stage of our history.

To provide firm and solid bases for the tasks set forth on 1 December, we proposed a series of reforms and additions to the country's Constitution and an important set of laws. These were improved by the legislators. In this fashion we continue one of Mexico's best traditions -- to base social change on law.

The economic reforms modernized and updated basic principles of our revolutionary doctrine; the leadership of development by the state; the system of the mixed economy with the balanced and harmonious coexistence of the public, private, and social sectors; and a system of democratic planning to channel the country's complete development under the responsible and legal leadership of the state with respect for the freedoms guaranteed by our Constitution.

We promoted a radical reorganization of Article 115 of the Constitution to strengthen the bases of the free municipality. To expand the number of our social rights, we included the right to health and the basic principles of policy for integral rural development in the Constitution. We also included the right to housing in the Constitution.

Finally, based on the thesis that moral renewal of society must be headed and exemplified by the public administration, we modified Title 4 of the Constitution, which establishes the bases for the responsibilities of government employees, more clearly and firmly setting out the standards for their conduct, their political, administrative, and criminal responsibilities, and the procedures to enforce these responsibilities.

At the proper time, and as a result of the proposed constitutional reforms, we promoted the planning law; a new law of responsibilities for public employees; reforms to the law of the federal public administration; and a new law to regulate the public service of banking and credit.

We also promoted reforms to the civil code relative to reparations for moral damage [reparacion del dano moral] and to the criminal code to increase the punishment for illegal conduct by government employees.

We now have the adequate legal bases to legally use the institutions in the task of solving the crisis and to direct the process of qualitative changes in our society and economy.

The crisis did not paralyze, but rather invigorated the renovating impetus that the circumstances demanded. In the early weeks of my administration, we initiated the work to draft the 1983-1988 national development plan. For this purpose, we organized 19 forums of popular consultation for democratic planning that were attended by government officials; peasants, labor, and popular leaders; representatives of political parties; legislators; business representatives; professional organizations; journalists; and in general, persons connected with the various aspects of our social and economic life.

This process, which had ample participation and which was carried out under the responsibility of the federal executive branch, was the basis for the plan that we made public on 30 May 1983. In this document, the government assumed explicit commitments to the country by establishing the political definition of its development strategy. In this way we added a plan for the democratic and orderly guidance of the country's development to the legal bases.

We strengthened the country's institutions to resolve the crisis. We also chose to appeal for national solidarity and legal and peaceful negotiation of conflicts over destructive confrontation. In other countries crises are countered with militarism, while Mexico can boast of preserving its system of individual freedoms and social rights.

We must appreciate and zealously defend the climate of freedom that we have forged with our historical struggle, a cherished accomplishment that we must remember personally and as a nation. We have strictly adhered to the freedom of thought and the free expression of ideas, religious freedom, the freedom of political expression and association, the freedom to choose one's profession, industry, commerce, work, free transit, and the home. We are making every effort to comply with the right to plea (?petition) and the guarantees for legal security that regulate the life, freedom, property, and rights of all Mexican citizens.

We respect and promote the social rights of the workers and peasants. We guide our actions to guarantee the social rights of the majority classes. We have only moderated the abuse of freedom when it has threatened the freedom of others or when attempts have been made to disrupt public order and security. We are constantly trying to adjust the actions of the authority to the mandate of the law, taking the risk of appearing to be tolerant of phenomena of social disorder. We have been consistent in seeking dialogue and negotiation to resolve conflicts. The authorities are always obliged to seek conciliation to prevent violence and discord among the Mexican people.

Social peace has not deteriorated. We recognize that this is not complete or perfect, that there are phenomena that threaten it and eventually interrupt it in isolated instances. However, Mexico has fortunately remained removed from a generalized situation of violence and disorder. Let all of us strengthen and improve the country's peace. This is a joint responsibility, but the government has the principal responsibility.

We are advancing in the task of strengthening our institutions and the democratic process with specific actions. We have committed ourselves to improving the practical division of powers between the branches of government. The executive branch has tried to keep the legislative branch informed of the actions of the public administration. As provided for by law, the officials of the federal government have appeared before the houses of congress to submit or explain projects or current reports.

Officials of the executive branch meet frequently with members of the specialized committees of both houses of congress to submit reports. For the first time, the Chamber of Deputies has been supplied with quarterly reports on the progress of public finances and the nation's economic situation, which will surely allow the congress to better exercise its financial powers.

The Senate has invigorated its activity and influence in foreign policy, and I am generally pleased to recognize in the federal chamber a new, dynamic, and constructive attitude. The congress has diligently and efficiently fulfilled its attributions and enriched and adjusted the initiatives submitted by the executive branch.

We have also tried to provide the judicial branch with greater strength and dignity. The action of the law has a limited effect unless an efficient and respectable system exists for the administration of justice. In our constitutional system, the action of the judicial branch is the expeditious means to guarantee individual guarantees and to balance the conduct of the other two branches of government through the control processes of the constitutionality and legality of the acts of authority.

Therefore, I believe that the reform of the law and the administration of justice is one of the qualitatively most important changes that we must promote in our strategy of integral development. This program serves the purposes of complete democratization, equality in property ownership, and the moral renewal of society.

The federal executive branch has supported the process of administrative modernization and the reorganization of the working conditions of the federal judicial branch, which had been historically delayed in comparison to the legislative and executive branches.

The activities of the political parties and the election processes have been carried out according to the laws regulating them. The government has maintained a respectful and fruitful dialogue with the political parties. Meetings held between me, personally, with their leaders and with different officials were held in a climate of a free and respectful exchange of ideas. Unconditionally we have expressed the agreements and the disagreements that exist between us.

Generally, I consider it is highly satisfactory to be able to state that, in spite of the difficult circumstances that we are experiencing, we have maintained a policy of dialogue and respect for the guarantees of the citizens. We have conserved and expanded the forms of political expression and participation of the minorities. Every association, group, or party that has wanted to express itself and criticize the government has done so freely. This has preserved the freedom of expression of ideas without restriction. This is confirmed by the daily events and the testimony of the people. Freedom of the press is verified through the press itself.

I reaffirm my contention that the democratic consolidation of Mexico demands the fullest respect for ideological pluralism and pluripartisanship [pluripartidismo]. Although the rules of a democracy are established by the majority, it is essential to respect the expression and participation of the minorities in the country's political life. This requires that respect be the standard of reciprocal conduct between the different political currents and that their actions always be exercised within the law. Pluralism cannot become an excuse to disrupt freedom, to undermine democracy, or to disrupt the legal order.

Let us together, government and parties, play a mature and responsible political game on the basis of what the Mexican people expect equally from all of us.

Elections have been held to renew the state administration of Jalisco, the local legislative bodies of Jalisco, Campeche, Chihuahua, Durango, Michoacan, Zacatecas, Aguascalientes Oaxaca, and 448 municipal administrations in 7 states of the republic. Special elections have been held in the states of Chiapas and Tlaxcala. The government and the local authorities have adhered to the law. We have fulfilled the responsibility of the state to guarantee the adherence to the law by every political organization. We will continue to make every effort to perfect the electoral processes.

In relations with the states, their sovereignty has been respected. We have provided programs that strengthen and expand the participation of the related offices in policies of regional and state development. Through the Single Development Agreement [Convenio Unico de Desarrollo], the Federal Government and the state governments are coordinating measures to harmonize national and local interests.

The states' share of national tax revenues has been growing substantially. The strengthening of the states and municipalities is also a primary objective in our political development strategy through democracy and administrative decentralization.

Therefore, I attribute major importance to the reforms of Article 115 of the Constitution and to the process of drawing them up and putting them into practice. We have recently carried out a broad national consultation for that objective. This will be the first phase of the revision of the state, which is carrying out political reform. Social communication is an essential phenomenon of the political and cultural life of national development. The fundamental norm in this matter is freedom as specified in the Constitution and the laws.

In the National Development Plan, the social communication policy and its obligations have been specified, after having consulted the people in broad participatory forums. The government has reorganized itself with ample institutional emphasis on its own means. In order to make an impact, it has reinforced its official journalists organ, EL NACIONAL, and established the national institutes of radio, television and cinematography as decentralized bodies in an effort to give greater congruity to these activities and better service to the community. The policy of relations between the government and private communications media is stated in the Constitution and the respective laws.

The National Population Council has adopted a demographic development program that deals fairly with quantitative and qualitative aspects. Family planning programs deserve particular impetus, at all times respecting the freedom of choice and personal dignity of the couple. Concerning qualitative aspects, the demographic objective is to improve the quality of life and the general well-being of the population.

Moral renovation is not persecution. It is not measured by penal actions, nor is it at the service of revanchist attitudes of individuals or groups. It constitutes an effort to return to the integrity and trustworthiness characteristic of the republican form of government and to subordinate all personal or group interests to the interests of the nation. The responsibility of morally renewing ourselves is common to all of us, but the obligation to face this task falls to the government as the leader of society.

We have amended this legislation in view of the need to guarantee the effectiveness and proper behavior of public servants. We have modified the administrative organization of the state to control public measures and guarantee efficiency and honesty in the daily operation of the governments. With this objective, we promoted the creation of the Secretariat of the Comptroller General of the nation and sponsored reforms to put the functions in order and limit the responsibilities of several secretariats of state with the purpose of correcting errors and ratifying successes.

The government is doing its part in the moral renovation of society, not only through the activities of the new secretariat, but also through each of the branches and entities of the public sector. We are setting up a national system of control, supervision and evaluation, which will contribute to the rational and open use of the resources managed by the public administration so that the social patrimony will not be squandered due to inefficiency or dishonesty.

This system of internal control of the executive will provide a better basis for the legislative branch to supervise, evaluate and demand responsibility from officials in the executive branch. Efficiency and honesty are not mutually exclusive. We will not sacrifice one for the other. We need both characteristics in public service. Through reforms to the basic code, the criteria were established to regulate the administration of the national patrimony, as were clear dispositions for the use, acquisition, and sale of public goods, in order to avoid acts subject to arbitrariness within the public sector.

The resources of the country's patrimony exist to serve the people -- not for individuals to help themselves to them. It is immoral to mix state finances with personal finances. The public function is not compatible with private business, especially when the latter benefits from the former.

On the one hand, we note the legal framework which regulates the management of public resources and establishes the responsibility of the public servants involved. On the other hand, we are advancing by means of the pertinent legal reforms to improve the public servants' working conditions through the systematic initiation, of a civil service system which promotes personal excellence among those who serve society. In this manner, an important aspiration of the public sector workers is realized and the pact between public servants and the state is reestablished on the basis of justice, honesty, and efficiency.

The success of the government's programs depends on the dedication of the public servants. At this moment, I want to issue a call to all who have chosen to serve the people from the administration and public companies to assume this vocation with the high consciousness which the nation requires of all of us.

We have utilized the process of consulting the people to analyze the condition of our political system, the actions of bodies in charge of public security, and the administration of justice. On this basis, I will begin a legal and institutional reform that will have great impact on the day-to-day life of the people and will also tend to improve the quality of our social life.

After carrying out a consultation of unprecedented dimensions on the subject of the administration of justice and public security, precise information is now available with which to propose profound reforms in the areas of legal protection [amparo], penal justice, civil, family, administrative labor and agrarian law, laws dealing with children, the police and the government, as well the organization of public security. Work has been done on these reforms with the purpose of submitting them for the consideration of this honorable Congress once the plans have been suitably completed.

In a broad consultative process, the preliminary plans for the penal code were announced. In accordance with public opinion, the corresponding initiative will be formulated.

Accordingly, in response to the public, the proper initiative will be opportunely and carefully taken. We are determined to modernize and improve the organization of the republic's attorney general's office and the general justice department of the Federal District. In order to accomplish this, we have placed emphasis on the tasks of selection training, education, and development of the assigned personnel since the quality and honesty of their services depends on them.

The technical and professional education institute of the attorney general's offices operate in coordination with one another. The National Institute of Penal Sciences [Instituto Nacional de Ciencias Penales] took on the task of promoting and supporting the republic's attorney general's offices. In the necessary cases, we have adopted measures to purge the system, reviewed and implemented internal standards, and are promoting proper professional conduct in the actions of the public administration.

We have only proceeded to indict based on investigations which force us to assume, for the these or other legal reasons, the presumed guilt of the accused. During the next few days, I will submit for the consideration of this honorable Congress various bills for organic laws concerning the republic's attorney general's office and the Federal District.

National demands call for the modernization and moralization of the police corps. Therefore, it figures among the prime objectives of my administration. We will continue to make efforts to have the police serve as a guarantee for the safety and tranquility of the citizenry and to conduct themselves professionally in accordance with the law.

We have begun our work with the preventive and auxiliary police of the Federal District and with the federal and the Federal District's judicial police. We have dissolved police corps which lacked legal foundations, purging commands and undesirable individuals and indicting persons when their presumed guilt has been determined. But along with these punitive actions, we are reenforcing the training, education, selection, and promotion of personnel. We have implemented the expansion of the social security systems for the police and their families, retabulating their salaries, increasing and improving their equipment, and encouraging and rewarding the many policeman who act as true servants of society.

We are preparing various legal and regulatory projects to establish new standards for the police corps. What we have achieved is still unsatisfactory. It takes a lot of work to rectify what we disregarded and put off for so many years. We will continue with the task of providing society with a professional and honest police corps. I confirm my commitment.

My duty is and has been to safeguard the Constitution and the laws which it may generate. That has been my mandate. From the highest court of the country I commit myself to perservere in this endeavor until the conclusion of my term in office.

As supreme chief of the Armed Forces, it is my honor to report that the Army, Navy, and Air Force continue to honorably, patriotically, and loyally carry out their great responsibility of guarding the security of the nation. Our armed forces are an army of peace and of tireless work for the well-being and tranquillity of the citizenry. We are proud of our soldiers and sailors. The Armed Forces are making a great effort to take optimum advantage of the material and economic resources which the nation has assigned to the accomplishment of their objectives and the improvement of the living conditions of their members. They are working to realize their strategic plans for the security and defense of the nation as well as for improving their capabilities to support the civilian population and national development.

I particularly want to commend the contribution of the Army in the campaign against the production and traffic in narcotics, as well as the vigilance over and protection of our territorial waters on the part of our Navy.

The security of the nation rests on its domestic strength and on the search for peace abroad. This principle is part of the standards which rule our actions in foreign relations. At this time, civilization is characterized by growing interrelationships among nations. Whatever happens in any part of the world affects all countries. Today more than ever, isolationism and indifference in foreign relations is impossible.

The international situation is distressing. Regional conflicts and wars have been intensified. The peace of the world is subject to serious threats, tensions multiply and negotiating attitudes have weakened. The money spent on arms and military hardware is foolish in the light of reason and the main cause of the economic and social crisis that has hit the entire world -- the East and West, the North and South. To a large measure, the international economy is part of these problems. Financial and commercial disorder persist, and protectionism reappears as international trade declines. Erratic fluctuations in the prices of raw materials are experienced, currencies become unstable, the cost of money skyrockets, oil trade decreases, and we observe a lack of political goodwill for the establishment of international economic cooperation. As a result, each country tries to resolve its own crisis without regard for its interrelations with the rest of the world.

Amid this hostile and unfavorable situation, Mexico's foreign policy continues to be based on clearness of purpose and action and on the firm principles which we have established over more than 150 years of independent life: the self-determination of peoples, nonintervention in the internal affairs of other states, the peaceful settlement of controversies, the legal equality of states, and international cooperation for development. The primary goal of the foreign policy we are conducting is the protection and promotion of domestic interests without disregard for our obligations as a responsible member of the society of nations.

We actively participate in the various forums of the UN organization. I call special attention to our actions in the UN Security Council and in the organisms charged with procuring disarmament agreements as well as those dedicated to economic, social, and cultural matters.

Latin America and the Caribbean have occupied a significant place in Mexico's foreign policy. Our extensive diplomatic activity to contribute to achieving a political settlement in the conflicts of brother countries in Central America has been particularly founded on historical principles and the sovereign interests of the nation. We have concentrated our main actions on the efforts of the Contadora Group made up of Colombia, Mexico, Panama, and Venezuela.

During the meeting of presidents last July, we agreed to the general directives of a peace plan that we proposed to the Central American countries. In addition to calling for strict compliance with the basic principles which guide international relations, the plan called for political agreements between countries in the region that would lead to effective control over the arms race, the withdrawal of foreign advisers, the creation of demilitarized zones, the prohibition of the use of the territory of one state to conduct political or military activities for the destabilization of other states, an end to the arms traffic, and the prohibition of other forms of aggression or interference in the domestic affairs of any of the countries of the region. The presidents of the Contadora Group conveyed messages to the heads of state of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, calling on them to contribute their political goodwill so that the proposals made in the Cancun Declaration, aimed at establishing the pacification of the area, would be able to achieve full implementation.

Only through cooperation and dialogue will it be possible to achieve a firm and lasting peace in the area. We also addressed the heads of state of the United States of America and Cuba, appealing for their support in the peace efforts of the Group.

Since the meeting of the Contadora Group, our actions have contributed to halting the imminent dangers and reducing the risks of a general confrontation in the region that could certainly affect us. To confirm our determined desire in support of the process of development in the area, we recently renegotiated the program for energy cooperation for the Central American and Caribbean countries.

At a meeting with Brazilian President Joao Baptista Figueiredo in Cancun, we reached important agreements on disarmament, the Central American situation, the revitalization of the North-South dialogue, and Latin American cooperation. Bases were established for cooperation between the two countries, principally in the areas of capital goods, steel, and petrochemicals.

We have attempted to establish direct relations with the heads of state of those nations with whom we share common aspirations and problems.

I had the opportunity to hold talks with the presidents of Brazil, Colombia, Spain, the United States, Panama, Venezuela, and with the Queen of Great Britain. Recently, I received the Belizean prime minister.

In our relations with the United States, we have maintained a dignified, cordial and systematic dialogue. The subjects discussed included bilateral relations on trade and finances, attention to the common border problems, and the protection of the interests of our citizens in that nation. In a climate of rising protectionism, we have insisted, particularly with the United States, on the need to find solutions that will permit increased trade between our countries. The vigor of commercial relations must necessarily be based on increased Mexican exports, principally to the United States, to other developed countries, and to the Latin American region.

At a recent meeting with President Reagan in La Paz, I was able to express the feelings of Mexico to him on bilateral problems and other problems of the region. We reaffirmed the climate of cordiality and respect in our relations, systematic dialogue in good faith to solve problems and expand cooperation, and agreement to continue negotiations on a series of matters of importance to our ample and complex relations. The objective of these negotiations is to solve differences and to expand agreement for the reciprocal and equitable benefit of our peoples. The maturity of our relations permits us to deal with our differences calmly and frankly.

The prestige achieved by Mexico's diplomatic activities has gained strength in the principal international organizations. We had significant participation in the meeting of the Movement of Nonaligned Countries as an observer, in the Group of 77, at the United Nations, and in bilateral commissions with all the countries of the world emphasizing Latin American solidarity. The strength of our foreign policy is based on our principles and the capacity that we are demonstrating in facing our problems. We continue to reinforce our national sovereignty based on and in favor of the consolidation of internal unity and to persevere in the search for peace abroad.

The economic policies have been confronted with challenges unprecedented in our history due to their magnitude and complexity. In the face of the population and social pressures, the material bases to accelerate opportunities for growth, employment, and sources of income were disrupted. To combat the crisis, it was necessary to make drastic economic adjustments that would inevitably exact a social cost. However, this would have been much greater and more painful if the government had not taken the initiative to solve the crisis. This would have led to a situation of chaos and regression. Harsh and sometimes bitter, but necessary measures had to be taken. The challenge consisted of implementing these measures with equity to distribute the social cost of the adjustment with justice and avoid having the weight of combating the crisis fall on the least favored groups.

Simultaneously, it was necessary to face the crisis with a new vision. To convert the economic adjustment into an opportunity to act on the structural deficiencies of the economy and to make basic changes to reestablish our capacity for growth and strengthen the economy on permanent and efficient bases of social justice.

The 1983-1988 National Development Plan incorporates this strategy and we are implementing it with efficiency, discipline, and determination. The short-range economic reorganization plan constitutes the reply to confront the crisis and to create the minimum conditions for the normal functioning of the economy. Its actions are directed at fighting inflation and currency exchange instability, to protect employment, basic consumption and production, to maintain the sources of jobs, and to prevent the destruction of what has been created with so much effort. This will help us to recover the capacity for growth on various bases.

The proposed program seeks to eliminate inflation and its concurrent social disruption. We will not accept permanently coexisting with inflation because this damages the basis for growth and employment. We have maintained that by accepting the automatic adjustments in prices and wages, we would only perpetuate inflation and, what would be worse, permanently degrade employment and real wages, as has happened in countries where these mechanisms have been established. Chronic inflation can only lead to recession, loss of employment, and social demoralization.

No one more than the people, the housewives, breadwinners, the middle classes, and the working classes have become aware of the terrible consequences of inflation, which affects the majority classes most. The countries that have lacked the will to fight inflation have fallen into stop and go economic policy schemes, damaging and distorting their development process. In the fight against inflation, we have acted in such a way as to be able to coordinate demand to the production capacity under the present conditions. In this effort, we are determined to reduce the public deficit by selectively adjusting expenses and strengthening income.

The reduction proposed as a proportion of the [gross] national product is from 18 percent in 1982 to 8.5 percent this year.

We are attaining this unprecedented goal at both the national and international levels. As of July, the total public sector deficit was calculated to be less than 500 billion pesos, which represents 33 percent of the annual goal and a 64 percent reduction from 1982 in real terms.

This has been the result of the measures placed in effect and the implementation of the policy of public spending and income. We submitted an austere budget to the honorable Chamber of Deputies based on criteria of selective adjustments and clear priorities. We are determined to do more with less, making rational use of our resources, and making sure that the budget is used as planned. Spending has been maintained within the program despite a budget situation that was more difficult than expected. By July we had reduced 55 percent of the authorized budget by means of this discipline.

The adjustment to the growth of public spending has given priority to those programs needed to maintain indispensable social services -- education, health, social security, and justice -- and to support regional development, rural development, and the transportation infrastructure. These actions have made it possible to continue to attend to society's most pressing needs. Thus, the health and social security services, which include 63 million people through all of the health systems, have been maintained.

Enrollment in the educational system has also gone from 23.7 million in 1982 to 24.6 million in the current school year.

Despite the restriction on resources, we have selectively maintained an investment program for the explicit purpose of supporting the creation of jobs, the generation of foreign exchange and savings, and the conclusion of very advanced projects with important potential for supporting production.

In a society such as ours, one of marked contrasts and enormous social needs that must be met, we cannot seek to adjust the public deficit exclusively by restricting expenses, for the resulting social cost would be intolerable. For this reason, within the task of reorganizing public finances, we have attached importance to strengthening income. To this end, I submitted fundamental measures to this honorable Congress that are intended to expand the fiscal reform while implementing a policy characterized by realistic prices and rates.

In order to distribute the fiscal burden more equitably, the tax-collection system has been modernized and updated. Direct tax payment has been made more progressive and equitable, while means of overall revenue control have been perfected for both individuals and enterprises. A 10 percent surcharge was established this year for those taxpayers whose annual incomes exceed the minimal wage by a factor of 5, while rates for lower-income sectors have been scaled down. The purpose is to have those groups with more resources contribute a larger share of the adjustment costs.

As for income from capital, anonymity in shareholding and other certificates payable to the bearer has been eliminated. This is the central element in a genuine fiscal reform that will make the tax system more equitable by eliminating one of the major sources of evasion.

In terms of indirect taxes, which is the only tax area with a real capacity to generate short-term revenues, the general IVA [value added tax] rate was increased from 10 to 15 percent. However, in order to make this effort more equitable, a 20 percent rate was established for luxury goods and services, while the exemption for staples and house rentals was maintained and the rate for most industrialized foods and medicines was reduced. Thus, half of the consumption of low-income families was exempted from this tax.

Decisions have also been made to increase the public sector's prices and rates, especially for those goods purchased most frequently by the higher-income groups, thus eliminating the negative effects of subsidies that have produced a greater concentration of both income and wealth. Although these increases represent inflationary pressures over the short term, they are needed to reduce inflation. Granted, this paradox is not always understood. The adjustment of public prices and rates means a selective increase in income. If the state does not have these revenues to cover the expenses that society demands, then it must resort to inflationary financing of its deficit, thus permanently encouraging the growth of prices. This hurts the entire society indiscriminately, instead of affecting those who have a greater capacity to absorb inflation. So as not to hurt the less favored groups or to weaken the production capacity by introducing feedback into the inflationary process, we are finding healthy and more just financing through realistic taxes, prices, and tariffs. The income strategy that has been adopted has made it possible to strengthen public revenues, in turn making it possible to improve the financing of expense programs.

By June, total budget revenues amounted to 2.965 billion pesos, a growth of 124 percent. This growth is slightly higher than was foreseen, despite the fact that some income areas have experienced a less dynamic growth than had been expected, as was the case with the IVA. This has been compensated for with higher revenues in other areas, particularly in the area of income tax, and in that of revenues from domestic and foreign oil sales.

The money in circulation, which was growing at a 75 percent rate in November 1982, recorded an average 55 percent growth as of August. The substantial reduction in the deficit had a fundamental effect on this, and we did not resort to the artificial creation of money to finance the deficit.

A flexible and realistic policy on interest rates has been maintained in an effort to strengthen financial involvement and to retain domestic savings. By this, we hope to encourage savers so as to develop loan resources and to reconcile the effects of inflation with our exchange rate policy and with the true financial returns offered by other economies.

In the past few weeks, we've been observing a slight but consistent decrease in interest rates, which is primarily linked to fewer inflationary expectations. The results have been positive, as savings are four times greater than those of last year. Therefore, the number of loans granted has nearly doubled, particularly since May.

On 1 December, I promised that the nationalized banks would belong to the people rather than to a small majority of leaders. I set out to guarantee that the people's savings would be honestly and efficiently handled and I promised to channel them toward our national priorities.

Progress has been made toward the establishment of legal and administrative rules for savings based on Article 28 of the Constitution, which established regulations for this service, defined new traits for banking institutions as national loan associations, and provided for the creation of government agencies to efficiently watch over each of these institutions. In addition, in an effort to rationalize their operation, we have begun to merge the nationalized banks into more compact organizations in order to decrease their operating costs and increase their productivity.

In the decree nationalizing the banks, we said that just payment would be made as indemnification for former owners. We began to evaluate each bank's case in December, abiding strictly by existing regulations on this matter. We publicly established clear rules, criteria, and procedures for examining each line of assets and liabilities. The viewpoints of those who were directly involved have been explained and the savers' interest have been taken into account. The process to determine the amount of indemnification was long and difficult because of the care taken and the scope of the work involved. We have concluded it had have now begun the indemnification. The payments will be made through 10-year term government bonds with 3-year grace periods. The interest paid on these bonds will be redeemed at market rates on a quarterly basis. We have acted scrupulously, with justice, and in strict adherence to the law, avoiding immediate monetary disbursements in order to protect our limited budgetary funds.

When we complete the bank indemnification process, my government will begin a gradual but thorough reorganization program for the Mexican banking and financial system. I stress my commitment to ensure that the nationalized banks are operated on the basis of meticulously technical and scrupulously honest criteria. Our goal will be to deal with public savings with absolute protection for the depositors and to channel these funds in accordance with the priorities in our national policy, in terms of efficiency and without subjective discrimination against loan users. The government of the republic guarantees the funds that have been entrusted to Mexican banks. They will be managed with an objective and professional approach.

We will protect and give incentives to banking employees. Banks will not be made the object of political rewards. The announced policy guidelines will serve as groundwork for banking legislation that will be thoroughly revamped. We are now devoting ourselves to the study and drafting of this legislation so that the honorable Congress of the Union can examine it in 1984.

The settlement of our foreign debt was indispensable to the restoration of our trade, tourist, technological, and economic ties abroad, for our international prestige had been seriously damaged. After complex negotiations with the international financial community, we were able to reorganize the public sector's foreign debt and have made progress in negotiating that of the private sector. The final agreement was signed on 26 August.

By mid-1983, our public foreign debt amounted to \$60,009,000,000 in comparison with \$58,874,000,000 in December 1982. Its growth rate is substantially slower than it was in the recent past. This is due not only to the declining availability of savings abroad, but to our own disciplined decision to remain within the debt limits authorized by this Congress in December. We are reporting on this debt on a quarterly basis.

The efforts at restructuring have almost completely reduced short-term debts, which came to represent more than one-fifth of the total in late 1982. Thus, as a consequence, the country will avoid having to meet due dates on some \$800 billion this year.

In 1983, the foreign debt will not increase by more than \$5 billion, unlike 1981, when \$19.6 billion came due, and 1982, when the figure was \$7,719,000,000. In the next few years, the growth of the debt will be controlled and will be carefully and subtly handled so that it will represent a decreasing proportion of the total financing.

We will continue to seek foreign credit as a complementary factor for long-term projects that require a high rate of imports, but there is no doubt that future economic development will have to be primarily based on internal effort.

The restructuring of the foreign debt makes it possible to have access to sufficient resources to acquire the most essential imports and to pursue a policy of selective foreign purchases based on the most essential and urgent needs.

We have thus avoided an interruption of trade flow to our country, which would have caused irreparable damage to our productive structure. Imports for the private sector, which were \$161 million in January of this year, totalled \$407 million in July. In order to recover national control and stabilize the exchange market, as well as to overcome the virtual suspension of payments abroad which occurred after August 1982, we implemented a new exchange policy. Control of exchange was simplified and a controlled market was created for priority imports, exported merchandise, and payments on the public and private foreign debt. For other operations, a free market was established.

The new system has worked. We have restored monetary sovereignty, which has made it possible to increase the available foreign exchange to pay for imports and resume the punctual servicing of our debt. The adjustment of the foreign sector has surpassed all expectations, and although it was initially the product of a drastic reduction in imports, in the past few months there has been a noticeable reaction in exports, especially manufactured goods, which have increased from \$189 million in January to \$330 million in July.

These results in the operating accounts have made it possible to generate a surplus of \$2,657,000,000 as of June, which in turn has made it possible for us to punctually meet our financial obligations abroad and strengthen the international reserves of the Bank of Mexico, which as of yesterday totalled \$3,552,000,000, while on 30 November 1982 they totalled only \$1,771,000,000, with an exceptionally low amount of liquidity.

The present reserves, which are still insufficient for a normal situation, nevertheless mean a broader margin of maneuvering that we did not have a few months ago to handle unexpected situations. This situation has had and will continue to have positive effects on the stability of the exchange markets, the financial situation of businesses, the availability of foreign exchange, and confidence in our country's ability to meet its international obligations.

The strategy for fighting inflation also includes actions to maintain and, where possible, to increase supply. The reorientation of public spending, programs to defend the productive structure and employment, and moderation in labor-management negotiations, which have sought to protect jobs, are the main factors that have made it possible to halt the decline in production that was noted in late 1982.

We had to accept gradual price increases linked to production costs and a reasonable profit for the producer. If we tried to freeze prices by decree, we would generate not only greater inflation, but also a drastic decline in production, and a substantial reduction of supply. The government has sought to maintain price controls primarily on basic goods and services. We propose to fight abuses and speculative maneuvers. This policy will be inflexible and firm.

My government asks for the cooperation of the people and consumer groups for these tasks. Consumers are the beginning and end of the processes of production and distribution of goods and services.

A strategy for the modernization of commercial activity is being applied on their behalf. In the short term, we promoted supply and the purchasing power of wages through the supply production program and people's basic diet package control. In the medium term, we will rationalize the various aspects of supply services, particularly those foods of vegetable, animal, and fish origin, through the establishment of a national supply system.

Despite efforts, the supply of products to the family basket has been insufficient in some areas. Measures are being taken to have sufficient supplies in every important line of the people's diet.

In response to the initiation of efforts in connection with the program for the production, supply, and control of the people's basic diet package, the CONASUPO [National Company for Basic Commodities] system showed an increase in levels of production of industrialized staples and strengthened its distribution channels and action plans to supply the country's various sectors.

The effort made is beginning to show in changing prices. We have prevented their rapid increase. The hyper-inflationary process has been defeated and monthly levels have begun a downward trend. While in 1982 inflation climbed from 30 percent to more than 100 percent during the year, the monthly levels have descended during 1983 from more than 10 percent in January to less than 5 percent in July. We recall that at the beginning of the year, there were some who predicted that in 1983 the annual inflationary rate would be between 150 percent and 200 percent. Unfortunately, we must admit that the fight against inflation cannot have spectacular results in a short period. What else would the government want? The objective is that prices increase less each time, and this we are managing to do. We will firmly persevere with an orderly and equitable effort.

Our action has not been limited to taking care of the most urgent problems. We have planned and implemented actions to bring about qualitative changes in the economic structure, to review attitudes and renew styles, to improve orientation and development quality, and to make this a firm and sustained process.

We are trying to establish the bases to improve the distribution of the fruits of development. Domestically, we need better quality production to provide the opportunity to meet both the demands of the majority and reduce dependence on foreign sources, to distribute without an excess of intermediaries to benefit the consumer and the producer.

Structural change will promote more balanced territorial distribution of productive activities by strengthening the province and reducing the excessive growth of the metropolitan zone of Mexico City. This means that we must finance our development on firm, healthy, and durable bases, fundamentally supporting an internal effort and converting Mexico's great potential into a permanent process of transformation and growth.

My administration plans to promote a scientific and technological development policy that permits greater control over our material resources and improves the reception and absorption of useful knowledge from abroad. We seek to obtain a major contribution from research for the solution of problems faced by our productive apparatus. For this, we began a review of the human, financial, and material resources engaged in research work. We have reorganized the training of human resources by establishing priority areas and favoring national institutions. We plan to encourage domestic demands to utilize national technology. To date, we have 27 technological packages to be transferred to the private sector and to the public production sector.

Several measures have been taken to give industry technical support to solve its problems, which are making the replacement of imported goods difficult. The structure change we are seeking also involves more efficient integration of social and private sectors under the state's leadership so that each sector fully assumes its responsibility in development tasks with consideration for the supremacy of the nation's interest.

The qualitative change also demands recovery of the bases of social development, which not only depends on strengthening the private sectors, but on the capacity reached by the industrial plant to meet the people's basic needs; to achieve growing integration of the productive apparatus; and to be efficiently linked to the outside world. For this it is necessary to broaden the domestic market and for federal economic policy to be congruent with the industrial development that will definitely promote that sector. The objectives of industrial development and foreign commerce are to promote production for the people's consumption, to support self-sustained economic growth, to promote exports, to help in territorial decentralization and to propitiate the consolidation of a national industrial sector that is dynamic and efficient.

Our country consistently appears among the world's 15 leading countries in various social and productive infrastructure indicators. This shows a great potential, which we must preserve and transform into development capacity and growing well-being. We have advanced in this direction. We have channeled the protection of our productive activities toward key elements, such as basic and capital assets and chemical, petrochemical, and export products. In order to contribute to the reactivation of capital goods production, we have established or strengthened the supplying consultative commissions in the primary state-run companies so that when they purchase machinery and equipment, Mexican products are given preference. An example of this was the signing of a 265-billion-peso purchasing plan for PEMEX with representatives of our national industry, of which 70 percent will be acquired locally.

Industrial development is closely related to the magnitude and structure of our foreign trade. Therefore, our policy of effective protection seeks efficient links with the international economy by promoting our exports, particularly of non-petroleum products. Thus, in addition to maintaining a realistic exchange rate system, we implemented a package of immediate actions to support our exports. Within this program, we eliminated the need for export permits in 94 percent of the cases. We have simplified the procedures for temporary imports of export products, leaving only 186 items subject to authorization.

We must implement a package of immediate actions to improve our foreign trade situation. We have streamlined procedures and strengthened financial and credit support to the export sector. Export is now our highest priority task.

The industrial development plan and foreign trade -- under the perspective of structural changes -- seeks to increase the level of industrial branches, as well as to improve their competitiveness. The program's strategy will give priority to those branches with the highest demand, which use national products to a great extent, and which generate a demand for capital assets which can be efficiently produced in our country.

On a short-term basis, we have sought to preserve the levels of production and employment. With a great effort, and thanks to the workers' responsible attitude of solidarity and the managers perseverance, the program has begun to show results. We have managed to halt the progressive deterioration of production, although some of the productive branches have significantly cut back, including the construction and steel industries and some activities in the manufacturing industry. This will result in a drop in this year's production figures.

Public enterprises are an important instrument to achieve our national objectives. They strengthen state control in our economic and social life. They are bulwark of our nationalism, they largely operate in strategic sectors, thereby constituting an advancement in technological modernization. Their operating scope is defined in the Constitution and laws, or has been established according to our development needs. In most cases, the importance of their projects, the resulting capital requirements, their minimal short-term economic profitability, and the need to keep these activities under national control have made and continue to make private capital participation impossible. Our national development largely depends on the activities and results of these national enterprises, and this has prompted us to reorganize state-run companies. We have issued general regulations for the operation of these enterprises in the economic and administrative areas, outlining the general guidelines for each responsibility at the various levels and describing the authority of regional coordinators and branches as a whole, in activities such as planning, budget, finances, and control.

From an economic point of view, the strategy of public enterprise depends on the restructuring of finances, on rational use of foreign exchange, on the creation and implementation of programs to increase productivity and employment, and on the efficient linking of actions to a general economic and social policy that will contribute to the structural transformation of the economy.

My administration will maintain and increase the development of semi-state industries to the extent this is necessary for the country's economy, while being highly selective. The national development plan sets the path and gives priority to capital assets and their components, to strategic inputs and branches of utmost importance to the well being of the lower income population. At the same time, the state's participation in activities not having to do with the above priorities is under revision. This is the case of small and medium enterprises which have little influence on the behavior of their productive branches. Mexicans will be given preference in the acquisition of these enterprises, also ensuring the continuation of productive activities and employment.

The tasks that the state has ahead are many; there are such great needs for investment, organization, and administration of what the state already has and cannot relinquish that it would be irrational to attempt to indefinitely take on more branches of activity. We are not attempting to nationalize the economy. We have a system of mixed economy that demands a balance between the activities of the state and the private sectors. We prefer to have a strong and efficient state rather than an obese and incapable state. Fulfilling the objectives which have been assigned to the public enterprises will be the challenge for a responsible and modern administration. Experienced professionals and technicians have been appointed to direct these enterprises, avoiding improvisations that have meant an onerous burden for the people of Mexico. We will promote a public service career that will give permanence and will guarantee contributions from the public enterprise to national development.

A thorough review of the policies and strategies for rural development will be requested. In that area, we are fomenting a strategy to reconcile a sustained increase of production with the attainment of greater levels of justice and welfare for the peasant population. The agricultural sector presents serious problems when compared with other areas of our economy. It has low productivity levels, production has been insufficient in regards to the increase in demand, and it has forced us to import heavily. The peasant's low income is the main cause for social inequality.

With the knowledge that the organization and participation of the peasants is essential to carry out the qualitative changes that are required, we have decided to grant legal security to the various forms of land tenure. We will implement an integral agrarian reform that will improve the terms of exchange between the country and the city; reorganize the support given to production; and join the various agricultural activities with the industrial and commercial sectors. This decision is supported by an addition made to Article 27 of the Constitution that establishes state responsibility in promoting rural and integral development. For this, we have begun working on the different policies related to land so that we may maintain the productive activity of the agricultural sector and later reverse the decapitalization that has characterized this sector and increase the income level of its population.

To distribute land to those peasants who don't have it is a factor of social justice. We are making way toward a broader and more modern approach that links the distribution of the land with the certainty that the land is theirs, with peasant organization, and with support of the production. As part of this policy, we advanced in the distribution of legally attachable land. Each day it becomes more difficult to find legally attachable land. However, respecting the law and without creating false expectations, we are working as fast as possible.

I have signed 147 resolutions that benefit 16,423 peasants with 704,000 hectares. Many of these resolutions had been pending. We sped up their implementation once we became aware that the land was available. For us to have production in the country, we must have certainty and trust. This is why we have given priority to the handing out of documents that prove the rights of the ejidatarios, joint owners and small landowners. In a rural inventory, an essential factor to identify limits and the legal situation of the land, we have recorded 23 million hectares, one-third of the states covered, and have attached more than 9 million hectares and distributed the land titles.

We are also working to speed up agricultural procedures, and for this we have created state committees through agreements with the governments of 16 states of the republic. Through the committees that have been formed, we have been able to reduce the amount of paper work -- in the past involving 43 separate actions -- to only 8 to complete the procedure, considerably cutting down on time. All agricultural problems will receive a speedy and honest hearing that will end with a positive or negative solution. We will promote agricultural rights, but we will not raise demagogic hopes. Much less will we allow the violation of legitimate rights. In the area of basic agrarian organization, we are planning and fomenting the integration of rural development units. With this we will attack head on the serious problem of tiny land holdings, be it ejidos or small properties, enabling the reorganization of support for production. For this purpose, we have formally begun work to convert 3,500 ejidos into authentic units of rural development. To foment production and increase the payment made to the peasants, the guaranteed prices were increased. Some of these prices were increased substantially. Wheat was increased by 103 percent, corn by 81 percent, and barley by 180 percent. We recognize the need to continue increasing agricultural prices so that they will not be below cost and the need to improve the terms of exchange in favor of the country.

We have also implemented new research and technology programs to modify forms of cultivation in order to better utilize the characteristics and potential of the soil. Despite limited resources, we have promoted the creation and preservation of the agricultural structure. In this regard, we have opened up 117,000 hectares to irrigation and rehabilitated and improved 51,000 hectares in irrigated districts and 178,000 seasonal areas.

The effort made and the response of the peasants make it possible to foresee that this agricultural year will be much better than last year. The winter rains were better and the rainy season has begun well this year in almost every part of the republic.

We have made an effort to improve programs for the countryside. In April, the national agricultural and forestry program for 1983 was released. This program is based on a tillable area of 19,696,000 hectares, of which 4,534,000 were in the 1982-1983 winter season while 15,162,000 were in the spring and summer of 1983. Of the total surface, 77 percent is allocated for 11 basic crops: corn, beans, rice, wheat, sesame seeds, cotton, cardamom, soybeans, sunflower seeds, barley, and sorghum.

In this program, seasonal agriculture represents 73 percent of the total and only 27 percent requires the aid of irrigation. For this reason, it is difficult to make exact forecasts, because the final result depends on the rainfall and in some regions on the frequency of hailstorms and frosts.

The peasants are doing their job, and the government supports them to the maximum possible with resources and subsidies. The crops have been planted and the cultivation process is underway. Therefore, taking into account the limiting factors mentioned, the 1983 harvest can be estimated at 27.5 million tons.

We will complement popular supply with 8.5 million tons of imports of corn, sorghum, and soybeans. We will be self-sufficient in wheat, rice, beans, sesame seed, cotton, cardamom, and barley. We will export fruits and vegetables. The results of the livestock program during the first half of this year are generally satisfactory. In milk alone, there has been a 17-percent decrease. Where meat on the hoof is concerned, there has been a 38-percent increase in the annual goal. The goals for eggs and honey have been surpassed, as have the goals for pork meat and poultry.

In the area of forestry, a renewed effort is being made to better utilize forests and jungle areas. We support the organization of producers and their training in the process of extraction, industrialization, and marketing. The infrastructure for fighting forest fires has been reinforced, and we have stimulated reforestation by planting 8.2 million trees on 3,583 hectares. These are two tasks in which the army is working effectively.

A number of measures have been taken to improve the administration and operation of parastate enterprises in the area of forestry. Realizing that public agricultural institutions have had low rates of efficiency and productivity for several years, we have decided to promote a review and organization of them. The aim is to achieve, in this 6-year-period, substantial progress in the levels of efficiency and honesty in that sector of public administration, since to a great extent what happens in agriculture depends on that sector. I ask the officials and employees of that sector to give their most enthusiastic cooperation. Similarly, I ask state governments and peasant organizations for vigilance and participation. We must all fulfill this duty, which is required of us by the nation.

As a strategy to increase the supply of basic products, we have acknowledged the important role that can be played by fishing. Development of its potential requires the overall and balanced participation of the public, social, and private sectors. For this reason, we will continue to support genuine cooperatives and to encourage the participation of the private sector so that, in conjunction with the state's fishing enterprise, they may contribute to the better development of the sector. Thus, joint activities have been initiated in different phases of fishing, prominent in which is the operation of 80 boats in an association with cooperatives and outfitters; the operation of 14 shrimp plants in partnership with cooperatives; the construction of a processing plant in Guaymas, where the cooperatives are associated with the state government; and, in association with local capital, the construction and operation of another plant in Yavaros, Sonora.

To improve awareness of our fishing objectives, we have begun a national program of exploration, evaluation, and investigation of the resources of our exclusive economic zone, with the participation of the scientific community, centers of higher education, cooperatives, and private individuals.

Since it is a natural resource and a public concern, we have proposed an integral water policy that guarantees optimal use in accordance with the priorities established by development. I have given instructions to carry out and advance as much as possible the national hydraulic program, over the medium- and long-term, because water is one of the major limiting factors in our development. We are making extraordinary efforts to supply the country's centers, and we have carried out actions to rationalize its use and to avoid waste. Outstanding for their importance are the works in the aqueducts of Cutzamala and Linares, as well as the Chapala Lake hydraulic system.

A total of 44 potable water systems are currently under construction, as well as the construction of the water transfer system of Monterey. In addition, the laws on the usage of water are currently being reviewed, and the present rate system for the various uses is being studied, taking into consideration the users' payment capacity and the national priorities.

The idea is to make the energy sources a more effective means of advancing the process of industrial integration. Actions have been undertaken to guarantee self-sufficiency in this field; to promote development in terms of better integration; and to increase productivity, efficiency, and the honest handling of the sector's enterprises.

As for hydrocarbons and basic petrochemicals, the strategy is fundamentally aimed at guaranteeing self-sufficiency and reorienting the demand for capital goods and inputs toward the national market, at cleaning up PEMEX financially through the periodical revision of prices and the increase of its productivity, and at obtaining a higher added value in terms of foreign sales.

The platform for production of hydrocarbons has been maintained in order to guarantee domestic supply along with an average oil export volume of 1.5 million barrels per day. The production of crude oil from January to August totaled 2.661 million barrels per day, and that of natural gas totaled 4.109 billion cubic feet per day.

I reaffirm the commitment to renew the administrative order of PEMEX in order to increase its efficiency and productivity and to encourage honesty in its operations. The new PEMEX, the country's most important public enterprise, must be a source of pride for Mexicans. This is demanded by the spirit of the nationalization brought about by [former President] Lazaro Cardenas.

In regard to our participation in the world's oil market, the responsible attitude reflected in the limitation of oil exports in accordance with what is truly demanded in sustained fashion, and in the introduction of modifications in the prices of the Istmo and Maya varieties in line with true market conditions, has been recognized as an important factor in preserving the stability of the world market. We have maintained a policy characterized by dialogue with all the parties involved, thus contributing to rationality in the market.

The development of the electrical sector continues to deserve priority attention. The major challenges that we are facing in this sector include financial deterioration, the necessary administrative integration, and its technical consolidation. It is essential to overcome these challenges in order to culminate the process of nationalization of the industry. In order to strengthen the sector's finances and reduce its excessive dependence on external credit, we are implementing austerity in expenses, realistic rates in terms of supply costs, capitalization of debt, and budget allocations to promote national industry. We have adjusted the administrative and organizational systems in order to increase productivity and raise the indexes of operational efficiency. In the technical aspect, we have proceeded to rehabilitate the thermoelectric plants in order to increase their output by 15 percent.

Plans are being drafted to make better use of the country's hydroelectric potential, to continue advancing the field of geothermics, to make more use of coal to generate electricity, and to incorporate nucleoelectricity into the country's energy panorama under conditions of efficiency.

In the area of mining, important expectations exist in terms of its support for the national development. To the country's mining tradition, one must add its proven capacity in this fundamental industry. The development programs for the small- and medium-sized mining sector have been strengthened in the area of credit, the expansion of capacity of the regional plants, and technical assistance.

The exploration strategy, a fundamental instrument for the conduct of this activity, has been reoriented by regionally concentrating the efforts in those projects that offer the greatest possibility of immediate development for the production of those minerals with established international markets or those which we have provisionally imported. The favorable balance of the commercial iron-steel-metallurgical area increased by 103 percent during the January-April period, compared to the previous year.

In the iron and steel industry, the production goal for 1983 is set at 4.3 million tons. This will make it possible to maintain the productive plant in operation. This industry and the expansion programs have been seriously affected by the domestic situation. A large export effort is being made in order to keep the plants operating. So far, \$115-million worth of those products have been exported. This represents a 347 percent increase. Within the existing restrictions, 2 million tons of liquid steel will be produced to adjust its rate to the new conditions. The capacity of Altos Hornos de Mexico will also be expanded to 4.2 million tons.

These projects will meet foreseeable needs during the present administration. The 1983 production goal for the fertilizer industry was set at 4 million tons, 6 percent more than the level reached in 1982. The delay in the rainy season in some parts of the country, and the financial difficulties, have resulted in almost a 10-percent drop in demand for fertilizers. This means that there will be a decrease in planned imports. Regarding projects for this industry, we have the urea plant in Pajaritos, Veracruz which will begin operations in March 1984 and that of phosphatic fertilizers in Lazaro Cardenas, Michoacan, whose first installations will be completed in 1984. They will permit an increase in the plant production capacity to 6.5 million tons, and thus achieve self-sufficiency in nitrogenous and phosphatic fertilizers.

This administration is committed to reverting the negative trend that the sugar industry had been experiencing. For this reason, we began the reorganization of this industry with the creation of Azucar Incorporated, which comprises the duties carried out by the National Commission for the Sugar Industry and the Union of Sugar Producers. This reorganization has improved the administrative apparatus and relocated decisions of substance to the federal government. This year we achieved the highest sugar production in our history -- 2,893,000 tons. This is 21 percent higher than the established goal and allows us to advance toward self-sufficiency in sugar.

Within a framework of integration and improvement of the shipping industry, we began to build a five 45-ton tanker ships, barges, and tugs for PEMEX. The first 22,000-ton loose hold ship was launched and attention is given to the needs of the fishing sector.

The parastate enterprises in the paper sector will increase their production to 325,000 tons, 12 percent more than last year. In 1983, production capacity will be increased by 100,000 tons. This will permit a considerable increase in the participation of state enterprises in the production of cellulose paper.

The parastate industrial sector has protected and reorganized its plant production, giving priority to industries with a strategic and priority value. Projects viewed as relevant for the country's development have been continued. The necessary actions to reorganize the parastate industrial sector are being carried out in order to determine sectorial and subsectorial policies coordinating the operation of these enterprises.

The actions of the transportation sector have received priority attention because of their effect on the job market. Priority has been given to projects which involve a high degree of development and which may be put into operation within a short term. Those that have been started recently -- with the exception of those begun in economically poor areas which would have a direct effect on the conservation and creation of productive jobs -- will be postponed.

A large volume of investments has been devoted to the maintenance and modernization of the country's road system. This is an unavoidable need. A special effort has been made on roads in areas where the drought seriously affected peasants and their economies. In the program for the modernization of the primary highways, we proposed a substantial improvement of 800 km and concentrated resources on the most advanced road stretches that may render benefits in the short term and that may improve traffic conditions at the most important points. Work has been continued on the Coatzacoalcas and Tampico bridges.

We have budgeted the construction and maintenance of rural roads for 1983. The budget for this amounted to 12,250,000,000. These funds will be used to improve a network that surpasses 75,000 km of rural roads. Approximately 6,000 additional km will be built, thus benefitting peasants in the states of Durango, Aguascalientes, Zacatecas, Michoacan, Jalisco, Guanajuato, Guerrero, and Oaxaca.

The effort made in the railroad sector was improved by almost 8 percent when compared with the previous period. Progress was made in the construction of the double Mexico-Queretaro and Queretaro-Irapuato railway and in the correction of the Mexico-Veracruz railway. We have also continued our efforts in the improvement of the railroad infrastructure -- railways, yards, telecommunications, and in the acquisition of traction and hauling equipment.

Maritime transportation continues to be the main means for international trade, the biggest share of which is done by ships. This represents an incentive for the growth of our fleet, which has increased by 34 percent. Port projects have been continued in Tampico, Veracruz, Coatzacoalcos, Ciudad del Carmen, Guaymas, Manzanillo, and Salina Cruz. Regarding industrial ports, we have observed the effort in Lazaro Cardenas and Altamira.

In the operation of the two national airlines, we have sought to make the most rational and consistent use of routes. We have increased their fleet to face the demand for local flights and to support promotional programs for foreign tourism.

We have signed agreements that will allow us to have in 1985 our own satellite system to receive and transmit signals to the entire country. The expansion of the telecommunications network has been continued. Eighty-three rural communities have been incorporated into the telephone network and 153 towns into the radio network. We have expanded the services of the national microwave network, the telex system, and the postal and telegraph services. The 7 millionth telephone number has been installed.

The importance of tourism in economic and social development lies in its capacity to attract foreign exchange, create productive jobs, contribute to balanced regional development, encourage a large part of the other economic sectors, and strengthen the cultural identity of our people. In view of these intentions, we are undertaking a general strategy based on thorough and efficient use of installed capacity, implementing a price policy that will allow us to be competitive in the international market and to increase domestic tourism, particularly the tourism of medium and low-income families, and the optimum use of financial resources. We have also reorganized the administrative apparatus of this sector. The National Tourism Bank was eliminated because it was felt that its credit functions could be suitably covered by Fonatur [expansion unknown] and the National Tourism Council was placed under the Tourism Secretariat.

The new currency exchange situation and the efficient and smooth operation of this sector has resulted in an increase in the country's tourism activity with a favorable effect on employment, regional development, and the entry of foreign exchange. We now have to strengthen policies in order to develop new investments.

Economic growth is not an end in itself. It is only justified ethically when its lasting purpose is social development. The concept of development is only authentic and firm when it is general. Our national plan demands this. Development implies the utilization and full realization of the potential of the human being and his community. Thus our Constitution, along with our individual guarantees of freedom and juridical security, has established social rights that obligate the state to promote national development in such a way as to provide the material and social conditions that serve as a real basis for a dignified and just life.

For this reason, the state's duty is directed toward providing the rights to education, health, and housing as well as the right to dignified and socially useful labor by strengthening the guarantees established in Article 123. Thus also, in Mexico social policy has the highest political rating and has a conditioning effect on the purely economic aspects of the development policy.

In my inaugural speech, I ruled out inequality and I called for social developments as an essential element in our strategy of change. In addition, I explicitly admitted that as long as there is a crisis, we will not be able to advance quantitatively in the process of social justice.

I offered, as a first step, to curb the accelerated deterioration in the main indexes of well being, particularly employment, and also to avoid having the crisis and the measures taken to combat it cause a deterioration in public services and government programs designed to achieve social development in areas such as nutrition, education, health, and housing.

Even within the crisis, we have proposed and are implementing an ecological and quality of life policy. The crisis was causing a deterioration in the levels of employment. Not only was there a failure to absorb the new population that was entering the job market, but many who were employed also lost their jobs. In 1982, unemployment climbed from 4 to 8 percent. To maintain this trend would have resulted in a social problem of unpredictable dimensions. By means of the strategy that we applied this year, we were able to stop the slide in employment. This was achieved thanks to the basic actions that were implemented within the immediate program of economic reorganization. The program of defense of the productive base was approved, and with it, defense of existing jobs. To support it, public spending was redirected toward the interior of the country, which represented an additional promotion of demand. And there was a reduction in the public investments in imports, which declined from over 70 percent in certain sectors to an average of no more than 15 percent at present.

Supporting productive enterprises with liquidity problems resulting from excessive foreign debt, through the trust funds to cover exchange risks which, without granting subsidies in interest or exchange rates, made it possible to sustain the country's productive base in the face of the sixfold increase in the exchange rate in 1982.

However, the most important means of protecting existing jobs came from the workers and entrepreneurs themselves. In the framework of a fundamental qualitative change in labor-management relations, they implemented nondiscriminatory general measures to resolve wage increase demands. The particular situation of each business firm was considered, and each of them granted what they could. In this manner, we removed one more stimulus from the inflationary spiral, and, what would have been worse, the closing of businesses. Consequently, salary scales, by being adjusted to the real possibilities of the productive base, made it possible to maintain the existing level of employment, thereby decisively supporting the other elements of stimulation.

This new mode of relations between workers and management was reflected in the solidarity pact the two groups signed in August. This factor of conciliation, which does not keep either side from exercising its rights, constitutes an effective obstacle to the crisis.

These considerations formed the framework for the solution of the calls for strikes issued in the months of May and June this year. Dialogue and agreement between the parties resolved that wage crisis. In the midst of the crisis, the basic element of the wage earners was maintained -- their source of income -- and for those who lost their jobs, social security increased to 6 months the period of medical service extended to both the workers and their families. The basic tenet of the wage policy continued to be the most thorough respect for the essential guarantees and rights of the workers.

Within the framework of the Civil Service Intersecretarial Commission's work, the executive branch under my charge in June decided to grant salary benefits to workers at the service of the state who were earning the minimum wage. The package was integrated equitably, benefitting more those who earn less, while gradually moving the workers' wage scales closer to the mid-level. The extra pay rates were reorganized, the wage scales were leveled as of 1 July, benefits were granted over 5-year periods, and leveling was implemented in the case of foreign teachers.

The request made by the Trade Union Federation of Government Workers that life insurance for public servants be increased 100 percent was also resolved positively.

Within this general package, I have issued an agreement that, as of today, increases the salaries of the personnel at the service of the federal executive branch, of the legislative and judicial branches, and of the Federal District Department, as well as the earnings of the armed forces members, through an absolute increase of 3,000 pesos per month in their budgeted salaries, in addition to the corresponding extra salary depending on the area of location. On an average, this represents an additional 1,200 pesos or so. In the case of those teachers who work on an hour-week-month basis, the increase will total 85 pesos. The resources to cover this agreement are included in the budget authorized by the Chamber of Deputies.

Every year some 800,000 people demand new jobs. Certain elements still prevent the increase of investments and the expansion of job sources. One of the innovative characteristics of the reorganization program consisted of creating productive jobs which, although of a temporary nature, have made it possible to keep the unemployment problem from becoming worse, while providing an additional income for people in the rural and urban areas and increasing the community's assets. To this end, 300 billion pesos were rechanneled from the normal program. In addition, some 100 billion pesos were allocated from the budget reserves for special programs.

Outstanding in the rural sector is the program for the maintenance and construction of roads and trails, as well as that for the development of cooperativism. These actions will be maintained in the rural area, because they have already made it possible to achieve 40 percent of the proposed goal.

In the critical urban zones, we have given strong impetus to the creation of jobs through municipal public service programs and social benefit programs, in order to achieve the creation of 350,000 jobs. The current total is 155,000.

Finally, and acknowledging that it is among the young people where the principal unemployment problem lies, a social program for assistants has been set in motion in coordination with the higher education centers. At this point, the annual goal of generating 47,000 job opportunities has already been achieved. This will make it possible to redouble our action to increase the generation of job opportunities for Mexican youths. Actions carried out in the fields of education, health, nutrition, urban development, and the environment complement the results obtained in the field of employment.

In order to organize the activities in the area of food and nutrition carried out by the public sector and to stimulate the participation of the private and social sectors, the National Food Program is about to be set in motion. From an overall viewpoint, it is intended to attend to the various aspects of the people's nutrition and feeding. The idea is to have an impact on the various stages of the food chain, from the production of food of agricultural, livestock, and fishing origins, to their processing and distribution at accessible prices, along with the orientation of consumers in order to achieve a better use of products.

Our national program is transmitted and recreated in the consciences of the new generations. Education and culture are the paths to strengthening our identity, preserving our values, and guaranteeing our independence. On the basis of our Article three, we will educate with an eye on independence, freedom, democracy, and social justice. We have talked about revolutionizing education, because we are firmly convinced that the national educational system, from the preschoolers system to the higher education system, demands more than reforms and much more than temporary solutions. It demands proper restructuring, which starts from education for those who will later teach, and reaches cultural and scientific research.

It must be admitted that national education is confronting a harsh crisis. This does not mean negating the advances made. The educational expansion achieved and the expansion of its coverage represent evident progress. However, this emphasis on expansion has not been accompanied by a similar concern with quality. Thus, deteriorated areas must be sanitized and straightened out while others must be promoted and further improved because the nation's most important wealth -- human wealth -- depends on education.

The federal educational system has become dangerously atrophied, and it is indispensable to fight this situation. Going back to the spirit of the Constituent of 1917 and of our federalism, we have proposed the need to decentralize education, and have taken the first steps in this direction. Decentralization will be a gradual process to attend to the needs and structures of the various federative entities, respecting the workers' rights without forgetting the reality of the nation as a whole. The bases to proceed with the educational decentralization in accordance with the views mentioned above were decreed on 8 August. The creation of a consultative committee in each state of the republic has been foreseen in order to gradually analyze and determine the direction of primary, secondary, and normal school education as planned by the federal government.

The National Trade Union of Education Workers is part of those committees, which must also listen to the volunteer associations interested in education or in participating in it. It will establish a general coordinating board, which will be the organ of the Public Education Secretariat for Decentralization.

We will carry out an educational revolution in alliance with the teachers. The basis of all these pedagogic plans is continued literacy, so that the educational pyramid can have a broad support base. Research, culture, and higher education are of a dubious nature unless preceded by a vast foundation of literate population.

In education, the revolution should be a nationwide participative effort embracing all education in Mexico. A renewal presupposes changes in programs, methods, instruments used in the teaching process, in the structure of systems and cycles of studies, in the population, in schools and other educational centers, in the type of professions and instructors, and in administrative and organization mechanisms.

The nation's educational system is the country's main employer. It takes care and gives direct attention to youth, which represents one third of the country's population. It is the field in which the nation's culture is being shaped. All this makes it imperative to have an educational system that is a model of efficiency, organization, and coordination.

We are trying to coordinate and assemble the universities and technical education centers in various states of the republic. The dispersion of resources impairs the possibilities of higher education and research by increasing costs and renders coordinated work more difficult, creating a shortage of laboratories and equipment. Several universities are conducting joint research programs. This is a practical way of showing the fruitful results of joint efforts and the drawbacks of isolation and dispersion.

We must have quantity as well as quality in universities and higher education centers. We cannot assume a disdainful attitude toward the masses who enroll and will continue to enroll in higher education centers. It is necessary to establish teaching and research methods that will permit the achievement of maximum quality for an increasing number of students and researchers.

With regard to universities and higher education centers in general, we are not afraid of the criticism they make of society, the state, and the Mexican Government. We want this criticism to be well founded, rational, and objective. Subjectivity leads to mistakes. Criticism should not be made only of others; there should also be self-criticism. That is why we enthusiastically approve the attitude of self-analysis that the National Autonomous University of Mexico has begun, and which the National Association of Universities and Higher Education Institutions is already conducting.

We are still in time to prevent the crisis of our educational system from overtaking our society and subjecting it to dangerous experiences. If we allow this situation to continue and worsen, we will be squandering our future. Good education will ensure continuous and just progress in the medium and long term. We are going to review and reinforce the many parts of our educational system and plan studies and careers that are compatible with free enterprise and the nation's needs. It is necessary that we coordinate the educational system with employment demands as much as possible.

We are currently facing a serious problem of unemployed normal school teachers. In order to neutralize and correct this situation of federal and state teachers, we have implemented a policy aimed at reducing the number of teachers in careers that are saturated and encouraging them to pursue careers that are in demand. At the same time, it is necessary to improve education in most normal schools in rural areas. In compliance with the decentralization plan, the intensive summer courses held exclusively at the Higher Normal School in Mexico City have been transferred to four normal schools in zones where there is more demand for these courses. A total of 4,000 students and teachers attended these courses with satisfactory results. We have said that selfish interests will not stand in the path of our efforts to revolutionize education.

We will follow this policy regarding the Superior Normal School.

Mexico is in need of scientists and technicians. Nevertheless, the number of students enrolled in these branches of education has dropped. Perhaps one reason for this is our basic education, which superficially deals with scientific and technical knowledge. Therefore, we must review these aspects of primary, secondary and preparatory education in order to encourage the study of careers the country needs and are profitable for those who study them. The country certainly has a commitment to education. This is the main public service that the federal government gives. In return, education and the students have an obligation toward the country.

Educational levels have dropped dramatically. To increase them will be difficult but is indispensable. We will engage in every necessary struggle to achieve it.

The educational system must contemplate the possibility of students finding jobs when they are at the intermediate level, as a response to the socioeconomic capacity of all the social sectors. For this reason, we are implementing a pilot plan of 30 final schools [escuelas terminales] and 16 preparatory schools in the metropolitan area so those who graduate from them can opt for jobs as specialized technicians or continue their studies in higher centers.

The moral renovation we are bent on implementing will be limited to our own time if we fail to turn it into the guideline and principle of Mexico's future through the ethical substance which makes up education. Our schools must insist on teaching our national values. The media have an increasing influence on education. We need to incorporate them fully into today's educational challenge. I urge all Mexicans to actively and enthusiastically participate in this new educational revolution. I particularly urge teachers and educators, but I also call on parents, the university community, the scientific and technological institutes, the journalists, the intellectuals, and the artists. Let nobody shirk this new stage of education and culture in Mexico in order to improve the quality of today's and tomorrow's Mexicans through education.

Education is not limited to schools. It is everybody's responsibility. My government has a broad idea of culture. It understands it as a process of enrichment, affirmation, and dissemination of the values of our national identity, and as a process of democratic participation of individuals, groups, and communities in the creation and enjoyment of knowledge. For this reason, culture is a bridge that connects our ideology with the essence of the democratic process, which is the participation and communication between the government and the people. In this specific area, we've started actions to increase activities to rescue and disseminate the ethnic, popular, and regional cultures. We are carrying out a cultural program for the border, one to protect and promote arts and crafts, one to encourage creativity in ethnic communities, and one to enrich the cultural content of basic education that is within the reach of all Mexican children. The national library program is also underway.

Despite adverse economic conditions, we have made significant efforts to prevent the deterioration of good levels in the health and social security sectors. We have laid the groundwork to organize, by sectors, the institutions involved and to modernize their administration in order to form a national health system, thus giving national coverage guaranteeing a reasonable minimum quality of services for all the country's inhabitants.

Three strategies are underway: the sectorial organization of the institutions involved, their decentralization, and their administrative modernization. These are very ambitious goals, but they are within our reach during my term in office. With the decentralization, the participation of federal entities and municipalities in the rendering of the administration of medical services of the first and second level is being increased. To date, 19 federal hospitals have been decentralized as well as 8 psychiatric units. On 30 August I issued the bases for the decentralization program of the health services of the Health and Public Assistance Secretariat. We are thus implementing another of the qualitative changes of this administration.

If the attention to the people's most pressing needs is an imperative of social justice, in the rural area these actions must be immediate because of the critical needs of the inhabitants of these areas. Therefore, in order to meet the medical needs of these countrymen, we gave institutional continuity to the social security program for rural areas. In an attempt to control the supply of medicine, materials, and supplies, we have coordinated all the pertinent government institutions in order to design strategies that will release foreign exchange to cover the import needs of the chemical-pharmaceutical industry and to promote national production. This has made it possible to meet the requirements for almost all the material required. Concerning preventive actions, we are drafting the Program for Training People in the Use of Health Services.

On the subject of social security, our purpose is directed at promoting actions allowing all workers to join the social security system and fomenting the improvement of safety and hygienic conditions on the job. An effort is also being made to expand the service coverage by gradually including non-salaried workers. Seventy-five municipalities are being incorporated in the social security system, and coverage is currently being expanded in 193 municipalities. Agreements to give health services and environmental protection to the Indian population of 23 states have been signed. A thorough program for the administrative and financial reorganization of the ISSSTE [Institute of Social Security and Services for Government Workers] is currently underway to give it solidity and greater operative efficiency in rendering services to public workers. Within the framework and under the institutional coordination of the health sector, the DIF [System for Complete Family Development] abides by the federal government's policy of sectorization and the rules for programming, budgeting, evaluation, and control. DIF functions are focused on the various areas of social aid in order to attenuate social differences among Mexicans: to seek the point of support in the family for our social maturity; to protect those who lack the biological, social, or economic capacity to satisfy their huge needs; to educate the people to assume responsibility for individual and collective health; to give disabled people an opportunity to participate in national development; to offer the elderly a satisfactory life; and to strive to give children what they need to feel proud of being Mexicans.

My wife is cooperating in this effort by presiding over the institution's board of trustees, while fully respecting administrative organizations and regulations established for public entities. I also wish to publicly recognize the work of the national volunteers in these institutional and government programs.

Man's home is not only his house but also includes what surrounds him and the conditions of the land, water, air, and natural resources. This led us to integrate urban development policies with housing and ecological policies under a new executive entity with knowledge of the subject. An important qualitative change will be the reorganization of man and milieu. To achieve this, we are seeking to consolidate the small and medium sized cities in a two-way strategy, one that will reduce and direct the migratory phenomena, avoiding the concentration in the main cities and another which will lead inhabitants of the dispersed towns to concentrate in order to give priority attention to the problems resulting from the maladjustment between the supply and demand of services, infrastructure, and equipment.

On the subject of soil, we are seeking to regulate the land market and protect the interests of the majority. To achieve this, we have installed 18 territorial reserve committees for urban and industrial development to regulate landholding and facilitate access for the most needy. The federal government has given the state 23 million square meters of federal land intended for housing projects in an attempt to provide access to territorial reserves for the most needy. At this moment we are ready to distribute 45 million more square meters. I will soon send before the Congress bills to update the urban legislation, including an amendment to the general law on human settlements to add it to the national democratic planning system and implement already drafted programs. Methods to regulate urban development will be established in conjunction with the state and municipalities, and we will also issue rules for the improvement, conservation, and use of the population centers.

Another bill seeks to speed up the procedures for the purchase and use of the territorial reserves on federal property. On the subject of potable water and sewer systems, our main concern has been to make the most of the funds allotted for this purpose. This is intended to benefit the largest number of people and promote jobs. For this purpose, we have 36,153,000,000 pesos.

We are attacking the housing problem -- a pressing problem throughout the country -- with the use of the territorial reserves, new construction techniques, increased financing funds, support for self-construction, and modernization of the sector's administration. Because of its impact in promoting the mass construction of popular housing, self-construction was exempted from the payment of social security quotas and the quotas paid by the owners of small construction projects were substantially reduced. With the housing bill that I will send before the honorable Senate shortly, we will be able to regulate all the actions of those agents who intervene in the housing market and broaden the chances for the people to have a worthy home. Financing for housing in the amount of 53 billion [currency not specified] will be made available through the INFONAVIT [Institute of the National Fund for Workers' Housing] in 1983. To this we add the funds allotted to the Housing Finance Programs, FOVISSSTE [expansion unknown], the National Fund for People's Housing, and others in the amount of 87 billion pesos. This program includes the construction of 163,000 homes, 110,000 of which had been built by August.

On the matter of land for housing, we have said that the most outstanding actions taken have been in the area of provisions to regulate the supply and demand of land, federal property, and the promotion of the use of unutilized urban areas good for housing. Those are measures to begin controlling the growth of the cities and to achieve more advantageous use of the resources controlling speculation. As part of the housing program, this year we began pilot programs for families with low incomes in Icatepec de Morelos, the State of Mexico; and the Federal District.

The magnitude of environmental problems seriously jeopardizes the future of our species and the quality of life. For this reason, the national plan incorporates ecological and environmental projects in the development strategy. In the recent consultation with the public, it was made clear that in Mexico ecological matters are no longer the exclusive concern of scientists or researchers, but have become a daily concern of the community. The efforts made by the government to correct and prevent the deterioration of the environment, as well as to conserve, protect, and enrich the renewable natural resources, will have significant results only with the promotion and strengthening of the people's responsibility.

The ecological policy has established the bases for a basic attack on the deterioration of our natural resources through the control and prevention of pollution, a regional ecological balance, the conservation and exploitation of natural resources, and ecological restoration from a regional viewpoint. To implement this policy, priority zones and problems have been selected. Packages of intersectorial, regional, and microregional activities have been designed, including the completion of the projects and the application of the corresponding juridical framework.

Actions have been announced for a struggle against pollution by means of the signing of two interinstitutional agreements. The first will attack the problem of solid wastes in Guadalajara and Zapopan, as well as pollution in the Santiago River and Lake Chapala, benefiting 2.5 million people in 40 municipalities. The second agreement was signed to control environmental and water pollution in Mexico City, one of the problems that causes the greatest concern to my government. In the oil areas in the southeast, a program of ecological restoration and pollution control has been initiated. A program is also underway to control the pollution generated by the sugar industry. Similarly, a cooperation agreement was signed with the United States for environmental protection of the border areas that will encompass ecological actions to improve and preserve the conditions of land, sea, and air.

In all regions, there has been a strengthening of confidence in the determination to have greater participation in the development of the country. Decentralization of national life is a demand and an urgent need in Mexico today, and this will require a gradual but deep-seated process to encourage the political, administrative, economic, and cultural decentralization that promotes the balanced development of our territory.

Recognizing that the strengthening of democracy depends to a great extent on political participation in the life of the municipalities, we initiated the amendment of Article 115 of the Constitution. Through this, we provided the municipalities with their own resources and sources of income and the powers to regulate the creation of territorial reserves, the possession of urban lands, the administration of public services, and the defining of the policies for the development of cities. As a basic task, we have begun the process of decentralization of public administration activities in the areas of education and health. We must strengthen and continue it in other areas, promoting the simultaneous reinforcement of the administrative capacity of local authorities, realizing that this will contribute to the achievement of the economic and social results of decentralization.

With full respect for the sovereignty of states, early this year we proposed and signed with local governments, the Single Development Agreement as the proper way to coordinate our efforts with the purpose of promoting the overall development of the federal entities. The process of political, administrative, and cultural development must be based on a solid economic structure that gives it permanence and feasibility. Decentralization by means of subsidies would be senseless. The regional policy must be based on a greater balance among economic activities. To this end, the National Development Plan seeks to modify the relationship between the countryside and the cities, achieve a better integration of the supply system, and strengthen the new economic activity in those areas that offer the best possibilities without excessive economic, ecological, and social costs.

This entire process is a part of the general development of the states. We have taken important steps within the policy of regional development with programs that attend to strategic needs. We have implemented the development program for the Sea of Cortes for the purpose of strengthening its sovereignty and incorporating that region into the nation's development. We have taken the first steps in implementing the program for the southeast with the Chiapas plan and the Tabasco State plan. At the same time, the program of support for the border areas and free zones is underway and will be incorporated into the overall plan for the development of the northern border.

We have actualized the development plan for Colima, and we did a similar job in other states in close coordination with each state's government.

I have visited the Mexican Provinces on 37 occasions and have participated in 22 working tours to the same number of cities in the states with the objective of maintaining systematic communications with the various parts of the country and learning about the requirements, problems, and priorities of each state and the social sectors of each area in the various programs of the Federal Government.

We are in a process of reorganizing the regional balance based on new realities, forces, and aspirations to coordinate actions for the benefit of the community and for the true strengthening of the nation.

In the variety of Mexico's ethnic and regional cultures is where we will find our greatest spiritual wealth. In confronting the tendencies that seek social homogeneity based on material consumption as a value in itself, the people should generate and develop the particular fruits of each of the cultures that comprise the Mexican mosaic, mutually enriching each other, shaping the national culture in the plurality of diverse identities of great vitality.

I urge the inhabitants of the regions with the lowest economic and social development to renew their hopes and work together with the rest of the country. You can be sure that my government's main projects are aimed at a regional distribution more in accord with the principles of social justice we have inherited, and to which we have fully committed ourselves.

Problems in the Federal District are huge. Within an effort of austerity and programming of public expenses, we have given priority to direct attention to social demands in the capital, even within the framework of a serious financial situation characterized by an impressive level of indebtedness.

A great effort has been made to give the best possible attention to the need for potable water, which becomes more critical in low water periods. For this purpose wells were drilled and aqueducts were installed, and we tried to distribute the insufficient water available in the metropolitan area in a proportional way.

In order to reduce the damage caused by floods, an important part of the city's extended drainage system and rain collectors and filters were cleaned. Despite this, the large volume of rain we have experienced this year caused the temporary clogging of the system in various parts of the city and serious floods occurred in the southeastern part of the city where there is no drainage system.

Emergency actions have been developed to help the residents, and with a budget of 2.5 billion [currency not specified] we began the work that in the next few years will solve this vital problem.

In an attempt to maintain public services, we sought to improve the efficiency of the transportation sector. We are planning to establish an integrated system for passenger transportation that will cover the heavily populated areas and work centers. A mixed commission on transportation was appointed to organize these services in the most adequate manner and to increase productivity in the networks and the transportation equipment. The available urban transportation units, which numbered 3,800 in December 1982, have increased to 4,600 in August. We plan to increase the number to 6,000 by December. A few days ago we inaugurated the Route 3 of the metro, as a result of which it is now possible to travel by that line from Indios Xerdes to Ciudad Universitaria.

To improve public security we are implementing training programs for police corps personnel, citizens education programs, and an operational-organizational restructuring program. Police units have been increased by reincorporating commissioned personnel [personal comisionado] and 1,658 graduates of the Police Academy. Efforts will continue to guarantee the security of the inhabitants of Mexico City, which we admit is a serious problem.

In order to take care of the growing needs of a growing population, we consolidated the operation of the Supply Center. In the area of housing, we created a special program for low income sectors to which 2.5 billion pesos have already been allocated and that will result in 1,210 finished houses and 3,249 self-construction units.

In addition, a general program for the cooperation of citizens was drafted. It includes the programmed collection of garbage, making landfills out of dumps, and incineration plans for polluted waste. We will soon have a program for Mexico City's metropolitan area that, based on the coordination among the appropriate federal and local authorities, will contain essential definitions to solve the problems in the supply of drinking water, the use of soil, pollution, transportation, traffic, and the decentralization of industrial growth.

It is necessary to establish new mechanisms of solidarity at the levels of neighborhoods, blocks, districts, and municipalities. The government will spare no efforts, according to its capabilities, but these will only give the results expected if we have the total participation of the citizens. Those who have more must realize that priority efforts are being made to solve the problems of those who have very little or nothing. It is the only way to make of this city a place that is not oppressive or alienating, but a proper environment for the development of mankind's potential.

Honorable Congress of the Union: Mexicans, the state of the nation report on the first 9 months of my administration is not a simple report on the state of the nation.

It represents a phase of the Mexican people's history. The actions of a government are not just explained within the context of the social situations it must face, guide, and experience. What has been achieved so far is not the exclusive work of the government. We can only explain, according to our history, that it has given us values, ideologies, institutions, and our name as a nation. We have proved -- people and government -- that we are a nationalist, vigorous, and mature community with a capacity to provide answers during critical situations. We have an indomitable will to overcome adversities and positively guide our development.

Due to the magnitude of our difficulties, I affirm without a doubt that the force and character of the Mexican people are great. The adversities that today afflict us will never be more than an incident in our national life. Mexico will pull through! With solidarity, we will build a new and better phase in our history. I am proud to be the Mexican people's president! I consider it a privilege to serve you in difficult times. Every day I feel encouraged by my fellow citizens to continue serving you without limit, except for that of my own capacity. Mexico is my strength.

We have decided to face the crisis through the full restoration of the essential principles of the revolution -- of our revolution -- and the strengthening of our republican and democratic institutions. It has taken us a long time to build them and, even though they are still in need of improvement, they are our best instruments to overcome vicissitudes and continue in the pursuit of our destiny.

We continue to support our nationalism as a vital force. We love our liberties, we are not willing to risk them, and we will increase and consolidate them. We believe in democracy as a way of life, and we reject any form of authoritarianism or dictatorship. We still consider justice the value that must guide the fulfillment of our national project. The crisis has not defeated or misguided us! Quite the contrary, it is increasing and strengthening our awareness of each other. The crisis has not paralyzed the Mexican's thoughts or actions. We must emerge from it enhanced.

We will not use the crisis to step back in time, or to make believe nothing has changed and everything continues the same as before. The crisis is an opportunity for changes and transformation, structural and qualitative changes that must be reflected in every aspect of our lives, beginning with changes in every one of us, qualitative changes in our political life, and new forms in our democratic life based on a greater participation of all in the various aspects of our social life. A new style of relation between the president and his people, based on communication and permanent consultation with the people. New attitudes by political parties, civil organizations, unions, peasant organizations, and others, to better solve our social problems, to rationally voice their demands, and to efficiently plan and organize their constructive actions; better attitudes by those who participate in social communications and in shaping public opinion, to truthfully inform society, to reaffirm our national values, to critically analyze our actions and contribute positively toward the education system. Moral renewal is another great qualitative step.

Placing the national interest before personal or group interests and adjusting our conduct to the values of the republic and the law are tasks that concern us all. We must comply with the norms of the republic and the law, and this task involves all of us. This is the goal sought by the norms controlling public administration, amendments to the law and administration of justice, the moralization and professionalization of our police corps, and a strict legal and administrative framework for public officials.

However, the task belongs to everyone. Let every one assume his commitment. The struggle for an egalitarian society is another great challenge. We must combat unjustified privileges and achieve a better justice in our social relations, by equitably distributing the fruits of our common effort and supporting our underdeveloped brothers so they can improve their level of life. The decentralization of national life will give us a better-balanced and firm development, strengthen democracy, and increase the efficiency of our common effort. The strengthening of the states and municipalities and the struggle against centralism will contribute to achieving qualitative changes decisively.

We will continue to support the efforts of the province. The strategy for the development of the national plan establishes various structural changes for the economy and the society: the creation of more jobs linked to growth; a better territorial distribution of development; more and better food for all; decent housing; educational revolution; more efficiency and productivity in the productive apparatus; a decrease in external dependence in commerce, financing, science, and technology; an increase in public and private savings; correction of the imbalance in public financing, through reduction of the debt; effective control over public expenditures; a fair fiscal policy; realistic prices and rates; revision of subsidies; greater competitiveness in our exports and tourism; an exchange rate that means growth for our economy and encourages the balance of the external sector; a diversified development of sectors; an overall rural development policy; modernization of trade; and a decrease in the excessive number of middlemen.

This is the qualitative change I am proposing to the nation. We cannot achieve this in a day. Our quest to reach this goal compels us to make a serious, persevering, and disciplined effort. This is a process. It is not a promise of sudden results. It is a call, not an offer of dreams. If we want to, we can do it. But these qualitative or structural changes, which represent a new kind of design and style in carrying out our national plan, can only advance and consolidate if we fight and overcome the crisis we are experiencing. There is no alternative. The enemy we must defeat is inflation, which has occurred because of a major imbalance between our demand and our supply. We have spent more than we had, and for a long time we borrowed to cover the difference. I am aware that the crisis is not yet over. The only thing that my government states is that the most serious factors are under control. We are no longer falling headlong, but we cannot lower our guard. We must not become complacent, or believe in premature victories.

I must recognize the merit that most Mexicans have because of what they have achieved. This achievement is due to the peasants who have not forgotten the love for the land and who, despite the uncertainty, the climate conditions, and the rains, sow their land year after year. It is also due to the workers who have responded with wisdom, good judgment, and a sense of responsibility and moderated legitimate salary demands for the sake of maintaining the sources of production and employment. It is due to professionals and technicians, the members of our diverse and dynamic middle class who adapt themselves to the difficult circumstances of the readjustments and reiterate their contribution to the common struggle of the Mexican people. It is due to the managers, those who truly carry out the important duty of setting in motion and organizing the elements for the production and distribution of goods and services that the country requires with an authentic sense of social responsibility. It is due to the employees who work for the state and its public enterprises, who are gaining a new awareness of their responsibility as servants of the nation. It is due to the Armed Forces, which are carrying out their noble task with patriotism and loyalty.

However, the crisis is still continuing. The increase in prices affects the standard of living. Housewives are in anguish in the face of the persistence of inflation. There are difficulties in the enterprises. Credit is expensive. We are not creating new jobs. The service of the debt is burdensome. We don't have enough foreign exchange to import. Much is left to be corrected in public and private finances. The international outlook is discouraging. The economies are not firmly recovering, there are obstacles in foreign trade and international finances are erratic.

The challenge is huge and in the economic area it is similar to wartime. The nation's destiny is at stake.

Therefore, Mexico continues to demand a solidaristic and enthusiastic effort from all of us, like a great lever that will take us out of the abyss of our difficulties and put us again on the path for the construction of our great historical goals.

I urge all Mexicans -- men and women, children, young and old, peasants, workers, office employees, technicians, managers, industrialists, and merchants -- to keep Mexico ready for the struggle, to extract strength and vigor from tribulation, to triumph over adversity, to reiterate firm faith in our own destiny. Let no one remain aloof to this attitude. Let everyone fight from his own trench. Let us continue to build an increasingly free and democratic country. We want a country that maintains and expands the freedom that we enjoy. We want to continue to live without fear, with freedom to think, freedom to believe, freedom to express our thoughts, and freedom to engage in the work, profession, trade, or industry we want. We want a more just and egalitarian country. We want a country where we can reduce opulence and poverty, where we can overcome social differences that upset solidarity and jeopardize peace and harmony among Mexicans.

I will continue devoting my efforts to these tasks and to those desired by the people. I will do this as the president of the republic and of all Mexicans. I will continue to report the truth, and I will continue to talk and consult with every one. I will devote myself to consolidating unity and fighting discords. I view the presidency as an element of unity among all of my compatriots. I reiterate my commitment to carry out my duty with certainty and firmness, without anguish and hesitation with the decision and perseverance demanded by the people.

Exercising command during critical times forces one to take measures that at times are hard and bitter. One has to affect vested interests, and eliminate attractive advantages that the nation is in no position to grant. One has to ask more than give. But the interests and the orders of the nation demand this.

We will pull through and become stronger. We will accomplish this for ourselves and our children. We must work, produce, and save with greater intensity and quality than ever before. We will continue to correct that which is twisted or deviant. We will vigorously continue the moral renovation of the society. Let's get rid of immorality and inefficiency, consumerism, waste, irresponsibility and laziness. In light of history, let us strongly reaffirm our trust in the nation's grandeur and in its indestructible future. Let us build greatness on nationalism, freedom, democracy, and justice. Let us build our greatness on productive and honest work, sobriety in our lives, on the social responsibility of our conduct. Let us be worthy in the face of our history's heroic deeds. Let us be firm and passionate in the construction of our destiny. This attitude is our strength, and with it we shall win. Long live Mexico. [applause]

FOREIGN MINISTER COMMENTS ON WEINBERGER VISIT

PA070227 Panama City Televisora Nacional in Spanish 2300 GMT 6 Sep 83

[Excerpts] U.S. Secretary of Defense Caspar Weinberger arrived at the Panamanian Air Force terminal at 1105 today. He was later flown aboard a helicopter to the Presidential Palace, where he was greeted by President Ricardo de la Espriella, with whom he met for approximately 15 minutes.

In an interview with this television station, Foreign Minister Ortega made the following comments:

[Begin recording] [Reporter] Can the visit of the U.S. secretary of defense be considered part of the efforts for peace in Central America?

[Ortega] Yes, the visit of such an important U.S. official and, in view of the need to achieve peace in the area, any effort from any country must include such an objective.

[Reporter] Is the Contradora Group scheduled to meet with the U.S. secretary of defense during his stay here?

[Ortega] The secretary of defense has a very tight schedule. The Contadora Group will meet here on Wednesday and Thursday, and perhaps Friday, but the secretary of defense will no longer be in Panama.

[Reporter] We understand that Secretary Weinberger's visit will last until tomorrow. Therefore, won't his stay here coincide with the arrival of the foreign ministers of the Contadora Group?

[Ortega] No, it will not. [end recording]

DE LA ESPRIELLA DISCUSSES PAREDES, RESHUFFLE

PA071702 Panama City Circuito RPC Television in Spanish 1553 GMT 7 Sep 83

[Text] President Ricardo de la Espriella has met with Brigadier General Manuel Antonio Noriega, commander in chief of the National Guard, the members of the National Guard General Staff, and chiefs of military zones to exchange views on our country's economic situation.

At the end of the meeting, the president was interviewed by the media. Referring to retired General Ruben Dario Paredes' withdrawal as a presidential candidate for the 1984 elections, the president said:

[Begin recording] [De la Espriella] First, I think the decision retired General Ruben Dario Paredes made was very personal. However, it must be viewed within the national political context. I think this was a very impartial attitude, free of selfishness, on the part of General Paredes, within the search for a solution to the nation's current political problem. Above all, I consider it to be closely linked to the attitude adopted by Dr Arnulfo Arias when he announced that he is ready to make sacrifices and divest himself of selfish or personalistic attitudes. I also have the feeling that Paredes, upon taking up this challenge, so to speak, or accepting this attitude shown by Arias, has also divested himself of any personal interest by giving up the candidacy for the sake of truly finding unity in this country in order to solve the problems that are currently plaguing us.

[Reporter] Mr President, you are being mentioned as a candidate of national unity and for reelection. What is your opinion about this?

[De la Espriella] The only thing I can tell you is that, right now, at this very moment, I am interested in finishing my term, with the promises I have made to the citizens, and searching, indeed, for unity -- but not to distribute political booty, because I do not construe unity as the distribution of political booty. I understand unity as a joint effort to find solutions to the social, economic, political, and moral problems plaguing our fatherland.

[Reporter] Mr President, the appointment of Oyden Ortega as foreign minister has been strongly criticized. Will you give us your opinion in this regard? Also, will new changes be made in your cabinet, and what were the reasons for this morning's meeting with Brigadier General Manuel Antonio Noriega, chief of the National Guard?

[De la Espriella] This morning's meeting had been scheduled previously. They had been invited to discuss the country's economic and financial problems. It was important to brief the National Guard officers who have responsibilities in the various areas and garrisons about the state's financial status and the country's economic situation, and to explain the various austerity measures the government has adopted. As for the changes in the cabinet, these have been made primarily to achieve an administrative restructuring. Attempts have been made to give them a tremendous political connotation. However, we have truly looked for people who can help us, in view of the administrative situation, to find a better administration to handle public affairs.

[Reporter] Mr President, is there any connection between the latest political events and the presence of high-ranking U.S. officials in Panama?

[De la Espriella] I think this is merely a coincidence. Their visit had been scheduled previously, too. We cannot disregard the importance of the fact that we Panamanians are getting used to the idea that we are part and parcel of the problems in the region. We are part of them because we are interested in finding an adequate solution to these problems. We must bear very clearly in mind that the solution to the problems in the area also involves a solution to our problems. Thank you very much.

[Reporter] Will there be further changes? [De la Esriella does not answer the question] [end recording]

HAVANA CITES SOUZA ON ELECTIONS, TORRIJISM

PA030212 Havana International Service in Spanish 0000 GMT 2 Sep 83

[Text] Ruben Dario Souza, secretary general of Panama's People's Party, has said that the people's struggle must continue until colonialism's last stake is uprooted from this country. Souza made this statement during the closing of the party's national financing campaign. On analyzing his party's stance in the 1984 elections, Souza added that the Panamanian communists will support the presidential candidate who commits himself to continue General Omar Torrijos' ideal. Souza recalled that in 1968 Torrijos created a social movement in which, for the first time in the history of Panama, power was not in the hands of oligarchs.

He added that the nation's independence and freedom are being threatened by forces that have their head and their heart in the United States, and he stressed that because of these factors it is impossible to achieve national unity. In conclusion, he (?said) this unity must be the result of a consensus of patriots who feel as Panamanians should, and who do not want the country to return to the period prior of 1968.

COSTA RICAPAZ BARNICA STOPS OVER, MEETS WITH VOLIO

PA071557 San Jose Radio Reloj in Spanish 1200 GMT 7 Sep 83

[Text] Honduran Foreign Secretary Edgardo Paz Barnica stopped in Costa Rica last night on his way to Panama. He took advantage of his stop here to meet with Fernando Volio Jimenez, his Costa Rican counterpart.

On arrival at the Juan Santamaria International Airport Paz Barnica said: As a foreign minister, I hope we will be able to make substantial progress toward peace in Central America and toward an overall, regional solution through practical and pragmatic mechanisms. He added he would take advantage of his stop in Costa Rica to talk with Foreign Minister Volio Jimenez on topics of mutual interest to two countries like Costa Rica and Honduras, which are ruled by democratic governments. Paz Barnica is on his way to Panama to attend the meeting of the Contadora Group of foreign ministers with the five Central American foreign ministers.

Regarding Honduras' position at the meeting of the Contadora Group that will open today at noon in Panama City, Paz Barnica said that Honduras will fully back the Contadora Group's efforts to achieve peace in Central America within an overall regional framework as well as the agenda approved in late May and the document submitted by the Guatemalan, Salvadoran, and Honduran foreign ministers in June.

The Honduran foreign secretary said he would take advantage of his stay in Costa Rica to deliver to Foreign Minister Volio a letter from Honduran President Roberto Suazo Cordova to Costa Rican President Luis Alberto Monge. The letter explains the redefinition of Honduras' policy and position within the regional and international context. Paz Barnica did not elaborate on the subject.

When asked about the status of relations between Nicaragua and Honduras, Paz Barnica said: I think there is a climate of detente in the area because of the efforts of the Contadora Group. In the opinion of the Honduran foreign secretary, other matters of an internal nature are contributing to this objective and, therefore, there has been an improvement in Honduran-Nicaraguan relations.

Regarding the talks between the Salvadoran guerrilla groups and the U.S. and Salvadoran Governments, Paz Barnica said any search for peace bolsters dialogue in the region. Far from hindering the efforts of the Contadora Group, this contributes to regional detente, he said.

Paz Barnica will leave this morning for Panama in the company of Foreign Minister Volio Jimenez.

EL SALVADORGUERRILLA ATTACKS CAUSE NEW POWER FAILURES

PA080312 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 7 Sep 83

[Text] Official reports on the situation in the country's interior indicate that eastern El Salvador is once again without electricity as a result of the destruction of important high-tension towers by leftist guerrillas at approximately 0100 today.

Areas along the northern trunk highway and in Chalatenango Department are also without electricity as a result of the destruction of two primary high-tension towers near km 26 of that highway. San Vicente Department was also without electricity last night until 0500 today, when service was restored.

Military sources say that in the area known as Piletas in San Agustín and in the vicinity of San Marcos Lempa in Usulután Department, the civilian population has detected a regrouping of FMLN leftist guerrillas. According to the reports, the guerrillas have returned after staging operations in San Miguel Department last week.

Also in Usulután Department, leftist guerrillas occupied the small town of Tecapan yesterday afternoon. While in Tecapan, they held a meeting to which the civilian population was summoned. Afterward, they commandeered food supplies.

Military sources in Apopa confirmed for YSKL this morning that an attack on guards at La Hermita Bridge last night resulted in injuries to two civilians living near the bridge. Army forces based in that area repelled the leftist guerrilla attack.

Meanwhile, in Cabanas Department, the Salvadoran Army is continuing to comb the area in search of FMLN camps and rebel groups, within the context of a small counterinsurgency operation.

Finally, telephone and telegraph services in Suchitoto, which were interrupted for 9 days as a result of the destruction of a primary control box by leftist guerrillas near the National Administration for Telecommunications, ANTEL, have been restored.

BONILLA SAYS U.S. MILITARY AID MUST END FOR PROGRESS

PA071938 Bogota EL TIEMPO in Spanish 30 Aug 83 pp 1, 8A

[Excerpts] A new round of talks to seek peace in El Salvador and other Central American countries engaged in armed conflicts opened yesterday in Bogota through President Belisario Betancur's mediation.

Yesterday's dialogue was the first held by the Salvadoran guerrillas with spokesmen for President Alvaro Magana's government.

Present at the 2-hour meeting were Santana Bishop Monsignor Marco Rene Revelo and Francisco Quinonez, both members of the Peace Commission, and Oscar Bonilla and Carlos Molina for the FMLN.

At the end of the meeting, Betancur told newsmen he was not trying to avoid answering their numerous questions on the subject of peace, but that it had been agreed to be cautious concerning the language used in order to avoid needless distortions of statements.

Salvadoran guerrilla leader Oscar Bonilla said upon leaving Narino Palace that his country's rebel forces will not agree to a cease-fire with Magana's government as long as the United States continues to supply weapons to the Army.

He added: "The FMLN cannot agree to a truce because the United States's continuing to send arms to the Army." He said the suspension of U.S. military aid is one of the conditions required to make headway in the peace negotiations.

"We are the ones who are winning the war, with the people's support and because of the drop in morale in the Armed Forces," Bonilla said. He stressed that the guerrillas "have given no thought to supporting the 1984 elections because conditions are not yet ripe."

ZAMORA CITED ON CONDITIONS FOR SETTLING CONFLICT

PA071740 Havana International Service in Spanish 1600 GMT 7 Sep 83

[Text] The imminent defeat of the Salvadoran regime's Army is increasing the danger of larger U.S. military intervention in the Salvadoran conflict through massive bombing of guerrilla-controlled zones by the U.S. naval fleet stationed in the Gulf of Fonseca. Stating this in a commentary, the news agency SALPRESS indicates that U.S. airplanes carry out espionage flights to local rebel positions. This is another aspect of Washington's intervention in the Central American conflict.

In all analysis, the Central American University emphasized that it is not U.S. security that is at play in Central America, but its absolute colonial hegemony and the false prestige of President Ronald Reagan, who is seeking reelection.

Ruben Zamora, a member of the FMLN-FDR Political-Diplomatic Commission, has said in Managua that the creation of a provisional government with a broad popular base and a new army that respects human rights are unavoidable requirements for a negotiated solution of the Salvadoran conflict.

Zamora said the Salvadoran people could not allow the military, which is killing the civilian population, to form part of the new military structure.

RIGHTIST GROUP THREATENS TO SABOTAGE DIALOGUE

PA071634 Paris AFP in Spanish 1559 GMT 7 Sep 83

[Excerpts] San Salvador, 7 Sep (AFP) -- Salvadoran ultrarightists have threatened to sabotage the process of dialogue between the government and the guerrillas, describing it as "the naivete" of certain sectors or political forces within and outside the country.

The warning was made in a communique following the explosion of four bombs in various parts of the capital. One of the explosions was in front of the residence of the Jesuits who run the Central American University (UCA).

The attacks were claimed by the Secret Anticommunist Army (ESA) in a flysheet left at the site of the explosion that condemned the policy of dialogue with the FMLN-FDR terrorists promoted by Alvaro Managua's government.

The ultrarightwing ESA's communique added that it is "aware that the communists will never participate in free elections, because they think that the armed path is the way to seize political power (destruction of the economy) and are trying to create with the dialogue a favorable political climate for the reactivation of the masses."

"We warn the parties, political forces, and military sectors seeking to negotiate the country's future with international communism that the eyes and rifles of the true patriots are aimed at them," it added.

"But President Alvaro Magana has also spoken of dialogue," one of the Jesuits said, commenting on the ESA warning. However, the Jesuits declined to make any official comment on the attack, which caused only material damage.

ATTACK ON PCN HEADQUARTERS BUILDING REPORTED

PA072124 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 7 Sep 83

[Text] We are at the headquarters of the National Conciliation Party [PCN] with Salvadoran Vice President Raul Molina Martinez to learn about an attack on the PCN building.

[Molina Martinez] I was told about 45 minutes ago that the PCN headquarters was attacked. The PCN condemns this sort of action, since we believe in democracy and peace. That is why we are struggling in a party like the PCN. We regret that two security guards who were guarding our offices were wounded. One of them is seriously wounded and the other has less serious injuries; both have been hospitalized, so that they can both recover as soon as possible.

[Beltran] Raul, I don't want to be indiscreet, but do you feel that this might have been done by some sectors that are unhappy with the decision made by Dr Rafael Moran Castaneda yesterday to leave the PCN? Even though it has not been officially confirmed, it has been said that he will join the PAISA [Salvadoran Authentic Institutional Party] and ARENA [Nationalist Republican Alliance], in order to obtain 31 votes in congress.

[Molina Martinez] No, I definitely do not think that this has anything to do with what happened yesterday at the assembly. I believe that actions like this are intended to create confusion, and the more the better, among political parties that are, I repeat, struggling for democracy.

[Beltran] Raul, is it possible that this attack has anything to do with the new offensive launched by an anticommunist group, which began to detonate bombs last night?

[Molina Martinez] To be frank, this is news to me. However, under the circumstances, it is possible that there are groups that are interested in preventing us from achieving peace in the country and that are doing everything possible to create situations like this.

[Beltran] Raul, what do you believe is the origin of these attacks?

[Molina Martinez] I cannot say definitely; I just do not know.

[Unidentified reporter] Don Raul, do you believe that this attack was intended for you?

[Molina Martinez] No, certainly not, because I never come here in the morning. Thus, I do not think it was intended for me.

[Beltran] Were there any party leaders here at the time of the attack?

[Molina Martinez] There were several party leaders working here; there were some 15 people working inside the party's headquarters at the time.

[Beltran] Is either of the two wounded people a member of the PCN?

[Molina Martinez] Yes, one is a party member, while the other is an employee of a security agency.

COPREFA SAYS FMLN OPTING FOR GREATER VIOLENCE

PA062230 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 6 Sep 83

[Communique issued by the Salvadoran Armed Forces Press Committee, COPREFA; date not given]

[Text] Leaders of the FMLN have admitted that they have opted for violence. (Alberto Arene), representative of the FMLN-FDR Political Commission, told a Spanish news agency in Washington today that the military option has prevailed over political options. The extremist spokesman added that the FMLN told U.S. special envoy Richard Stone that it will not participate in the elections scheduled for next year. (Arene) explained that the September campaign forms part of a progressive offensive demonstrated by the attack on the city of San Miguel, 130 km east of San Salvador, where the civilian population was the victim of a merciless attack by the subversive bands.

These indiscriminate attacks by the armed groups were announced in Panama 15 days ago by communist leader Mario Aguinada and immediately denounced by the Armed Forces Press Committee, COPREFA, which described the extremist announcement as a result of Cuban-Soviet pressure.

Meanwhile, Joaquin Villalobos, the strongman of the People's Revolutionary Army, ERP, announced yesterday that the purpose of terrorism is to further sabotage the economy and counteract Salvadoran Government advance in the departments in eastern El Salvador through bloodshed.

The clearest proof of the FMLN's thirst for violence is the announcement by a clandestine radio that no life -- civilian or military, will be spared. It must be recalled that in past months, the FMLN boasted of capturing prisoners and releasing them to humanitarian organizations in the country. The change in the extremists' tone is the result of their stated disregard for peaceful methods and of the Salvadoran people's clear repudiation. Both factors have destroyed the moribund international image of the FMLN.

ARMY SAYS REBELS' MAIN TARGETS WERE BRIDGES

PA062156 San Salvador EL DIARIO DE HOY in Spanish 6 Sep 83 pp 2, 27

[Excerpts] The true objective of the terrorists was not attacking the 3d Brigade, but dynamiting the three bridges leading to Morazan and La Union, according to military observers.

It was obvious, they added, that while the largest subversive force distracted Army troops with the attack on the post with 60-mm and 120-mm mortar fire, another group placed the charges on the Urbina, Plateado, and El Negro Bridges.

The economic intent of this action, they noted, was the obstruction of land transportation to the departments of Morazan and La Union, consequently making travel to Honduras more difficult.

The only road open to all types of vehicles, they added, is the Central America-2, CA-2, which is the longest, is not suitable for heavy vehicle traffic, and is often obstructed by landslides.

As for Santa Rosa de Lima and San Francisco Gotera, traffic must first be directed to La Union and later to the coast into San Miguel, causing a loss of time and increased travel costs.

WEINBERGER'S ARRIVAL, ACTIVITY SCHEDULE REPORTED

PA072252 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 7 Sep 83

[Report by Raul Beltran Bonilla]

[Text] At about 0855, a U.S. Air Force plane landed at Ilopango Military Airport, carrying U.S. Secretary of Defense Caspar Weinberger and Langhorne Motley, U.S. assistant secretary of inter-American affairs.

The U.S. secretary of defense was met at the airport by U.S. Ambassador Thomas R. Pickering and by James (Stringham), chief U.S. adviser in El Salvador. Weinberger did not make any statements to the foreign and domestic reporters, who had been called to the Ilopango Military Airport previously, and left immediately for San Vicente Department. He will meet there with the U.S. advisers who are directing part of the operations, Vietnam-style, in the areas of San Vicente Department that are under reconstruction.

At noon, Weinberger will meet for about 30 minutes with Salvadoran President Alvaro Magana Borja and Defense Minister Carlos Eugenio Vides at Ilopango Military Airport.

Afterward, high-ranking U.S. and Salvadoran Government officials will board the aircraft carrier "New Jersey," anchored in the Pacific Ocean off the Salvadoran coast. Later, they will return to San Salvador and visit the headquarters of the San Juan Opico Brigade.

At about 1700, U.S. Defense Secretary Caspar Weinberger will leave for Honduras.

VILLALOBOS 'MESSAGE' ON FMLN GOALS, U.S. 'AGGRESSION'

PA071515 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 7 Sep 83

["Message" delivered by Commander Joaquin Villalobos, member of the FMLN General Command and commander in chief of the Rafael Arce Zabla Brigade; date and place not given -- recorded]

[Excerpts] Can intervention defeat the FMLN? The Salvadoran Army is currently developing the last possible plans that might enable it to stop the FMLN. This situation, along with other factors that characterize the current Central American situation -- primarily connected with the U.S. plans against Nicaragua -- has increased the possibilities of direct U.S. intervention in Central America. Several dozen warships are already off the coasts of Nicaragua and El Salvador, as well as thousands of U.S. Marines, and over 100 fighter-bombers. Meanwhile, U.S. Air Force planes carry out reconnaissance flights both day and night over Salvadoran territory, in preparation for possible actions by U.S. forces in our country.

According to statements made by Reagan himself and by other officials in his administration, the reason for the presence of these ships and of their forces in Central America is to exert pressure so that both Nicaragua and the FMLN will accept a solution on the terms that they propose. According to the logic of the United States, its mere military presence and threats will make the FMLN agree to lay down their weapons and participate in the elections. This is politically and militarily absurd, and proves that behind those ships there is no diplomatic pressure, but merely the preparation for a direct act of aggression.

As a political solution, the U.S. Administration is asking the FMLN to surrender; otherwise, it is threatening to intervene militarily. If this intervention is to be confronted by the FMLN forces, it is important to analyze which factors would be present in case of a U.S. attack on Central America.

In the first place, there are domestic U.S. factors ranging from the strength of public opinion in the United States -- which opposes intervention -- to contradictions with the Democratic Party and the risks that the Republicans would run in connection with their plans to try to reelect Reagan. This would be in the event that the military adventure in Central America were to exceed limits, bogging the U.S. Army down in a new Vietnam in this hemisphere. Second, there is the scope and characteristics of the confrontation. Concerning this, one must be perfectly clear about the fact that an attack on Central America would not be a war only between the U.S. Army and the thousands of guerrillas that comprise the FMLN. The FMLN is not the only enemy of the United States in Central America. If there is U.S. intervention, it will become, in either the first or second stage, a regional confrontation in which the United States will have to clash with powerful people's armies such as those of Nicaragua and Cuba.

Third, there would be the repercussions of such an intervention on U.S. relations with the Latin American nations. The situation in Latin America is not the same as 30 or 40 years ago in terms of its political dependence on the United States. The Latin American position on the Malvinas conflict and the Nicaraguan revolution have demonstrated this. There is a developing Latin American awareness that has historical, social, and economic bases, and it can be foreseen that Latin America would react in the face of intervention. Contadora can be considered a part of that hemispheric awareness. An attack on Central America would bury the hope that Panama could achieve its sovereignty over the canal.

The United States may attempt to stage a gradually escalating military intervention, justifying each step by claiming that it is merely trying to persuade the FMLN, Nicaragua, or Cuba. The truth is that, once committed, the United States must either withdraw or commit itself fully to the war, and the steps it is currently taking are leading it more toward a war than toward a political solution of the crisis.

In analyzing the real chances for success of a U.S. military intervention in El Salvador, we must consider the following elements: In the first place, the FMLN has a developed force that is militarily capable of firmly resisting a large invading army. The case in El Salvador is not similar to that in the Dominican Republic, where a rebellion of the militarymen who had the people's support was suppressed. In our case, there is strength, experience, and the means to resist and complicate any military plan calling for an attack.

The population density would force the United States to commit a veritable genocide, should it decide to use more powerful weapons in a territory such as ours. Should this happen, national and international repudiation of the intervention would be intensified, and the FMLN would grow stronger even faster.

Due to the conditions under which the confrontation would take place, and to the level of development reached by the revolutionary army, it would be impossible for an interventionist army to obtain a quick victory in our country. A week, 2 weeks, a month, 2 months, would go by, so it is worth asking: How long could the U.S. troops remain on our soil before the domestic and foreign political base for this aggression would begin to crumble? Or, how long could they remain here without essential changes taking place in the international situation, permitting Salvadorans to confront the intervention under conditions of greater material and political support for their forces? If the latter were to occur, the FMLN would increase its capacity for resistance and it would bog down the U.S. troops in El Salvador.

Second, U.S. military intervention would enormously expand the military conflict. This in turn would lead to the total or almost total destruction of the country's economy. For this reason, many sectors, owners of small- and medium-sized industries, would be affected [passage indistinct] It might be worth asking: A guarantee for whom? For the vested interests of the United States and those of the country's wealthiest families, or for the large majority of Salvadorans, whose only possession is their labor force [words indistinct]. Intervention would cause an internal reorganization of forces against the United States and would increase the social dissatisfaction with the government.

Finally, and most important, a U.S. attack would generate an immediate reaction of the national spirit, increasing and multiplying the support for and the integration into the FMLN army.

These effects would surely extend to the Army itself, (?as well as to the officers' ranks). The mere presence of the U.S. advisers, and their mistreatment of and contempt for the Salvadoran officers and troops, is already a cause for internal dissatisfaction within the Army, and these are merely expressions of the national awareness. The presence of an invading army anywhere in the world always elicits rejection and a feeling of national unity. El Salvador will not be a [words indistinct]. The existence of a military force capable of resisting an attack [words indistinct] and the multiplication of the FMLN forces as a result of national repudiation, are solid elements which, on the one hand, would prevent the quick victory of an interventionist army and, on the other hand, would provide sufficient ground so that, if the aggression were prolonged, there would be the necessary conditions and time to be able to receive the political and material support of international solidarity. This would further enhance the FMLN's capacity for resistance.

This means that the United States would have to [words indistinct] huge internal dissatisfaction, and the impossibility of obtaining a military victory. If we add to these conditions the regional framework of the intervention, it can be predicted that it would be impossible for the United States to defeat the FMLN militarily.

In a war of popular characteristics, such as the one the FMLN is currently waging, such things as the number of weapons, techniques, and methods are relative, not determining factors. The FMLN does not have large resources like the United States, but it has enough moral, political, and military factors in its favor [words indistinct] and its failure will have serious consequences for the current U.S. Administration.

Why is the FMLN fighting? There are four basic points in the FMLN struggle: First, a new economic and social order that guarantees a better distribution of the national wealth, so that it can contribute to the solution of the working class' health, food, and educational problems. The government claims that the FMLN opposes the holding of private property and that it plans to expropriate and destroy the coffee and cotton producers, the industrialists, and the businessmen. All of this is completely false. FMLN plans rest on objective and realistic foundations. For reasons connected with the country's stability and economic development, it would not be logical to expropriate all

the private sectors, because this would seriously affect the capacity of the national economy. An economic development plan must take advantage of the private sector's potential in order to obtain greater social benefits.

The agrarian and banking reform and the nationalization of foreign trade must be oriented toward breaking the big concentrations of capital that have exploited the working people and kept them in a state of poverty. The large agricultural productive units must be preserved as such, but in the form of cooperatives in the hands of the workers. Cooperatives, small- and medium-sized agricultural properties, trade, and industry must be guaranteed financial aid.

In addition to increasing the social benefits of the national economy, aggressive plans must be implemented to integrate the general mobilization of rural and urban workers into the health and educational programs and into those programs aimed at improving living conditions. Attention to the working class' needs in the area of wages and cost of living must be priority elements in the new economic order.

Second, the FMLN is fighting for a government of broad participation, with representatives of all the political and democratic forces, including the FMLN-FDR. The current government claims that the FMLN wants a regime comprised exclusively of its forces. This is completely false. It is the current military government that has refused to make room for the people's revolutionary movement, and it subjects all other forces to the Army's decisions. The FMLN claims that a government of broad participation must guarantee freedom of expression and organization, respect for human rights, and truly free elections with the participation of all forces. The FMLN contends that the composition of the body that would direct the executive branch and the principal public posts must result from a consensus among all the participating forces. The true functioning of the three branches of the state, based on the capacity to promote the plans and agreements resulting from the majority decisions made by the forces participating in power, should constitute the basis of this new government, rather than imposition by the Army or by the most powerful economic power.

Third, the FMLN is fighting for a new national army based on both the current Army and the FMLN military forces. The power of the ruling classes and the strongest U.S. influence rest on the Armed Forces. It is for this reason that they staunchly refuse to yield their military power, since the Army is the instrument with which the ruling classes and the United States know that they can reverse any reform process or changes wrought in the country. Reorganizing the military power, starting from consideration of the fact that there are two armies, is a fundamental requirement without which it is impossible to achieve peace. So long as the military power remains unchanged, it will not be possible to either democratize or transform the country. The FMLN is not proposing the destruction of the Army, but rather the organization of a new military power based on the current Army and the FMLN. Within the Armed Force there are chiefs, officers, noncommissioned officers, and troops with democratic ideas, who might serve as the basis for the formation of a new army alongside the FMLN.

The fourth aim of the FMLN struggle is the establishment of a foreign policy marked by full national independence and nonalignment. The new government must establish relations with any country that supports our economic and social interests, without concern for their government's political system. The FMLN regards our country's relations with the United States under mutually beneficial conditions, and with political respect for our sovereignty, both strategic and fundamental. The FMLN feels that for historical reasons, and due to our geographic location, our economic relations and peaceful coexistence with Guatemala, Honduras, and all other countries in Central America and Latin America as a whole are vital.

The Reagan administration has established that a change in the Salvadoran situation would affect U.S. national security, based on the view that any economic, (?political), and social transformation in the region is a Soviet threat.

In truth, the current U.S. Administration is clearly aware that no threat to its national security is implicit in a change in the region. What is really threatened is Latin America's relationship of economic and political dependence on the United States. It is not true that another revolution, or a change in the situation in Central America, would threaten Mexico's stability or that of the other hemispheric nations. On the contrary, the emergence of more nations politically and economically independent from the United States, with strong and stable governments that bring about internal transformations that speed up their economic development, would help the struggle to achieve better exchange conditions between Latin America and the United States and the realization of better conditions for the exploitation of the vast natural resources of Mexico, Venezuela, Brazil, Argentina, etc. This would not lead to further revolutions in more countries, but to the development of their present capitalist economies.

The United States refuses to understand that sooner rather than later it will have to change the terms of its relations with Latin America, and that its policy of trampling on the sovereignty and the economies of Latin America now clashes with the development prospects of those hemispheric nations with more resources.

The conflict between the United States and the Soviet Union does not lie at bottom of the Central American problems, but rather the U.S. relations with Latin America. The United States regards Latin America's natural resources as its major strategic reserves. It also regards the Latin American nations as a whole as a fundamental force for political support in the international arena. U.S. national security is not threatened because the FMLN (?is demanding) a sovereign, independent, and nonaligned government. What is threatened is the unfair terms under which the United States has handled its economic and political relations with Latin America, and this has nothing to do with the East-West conflict.

The FMLN struggle in the area of its foreign policy is a just demand with a national and patriotic inspiration. None of the FMLN's four objectives are based on the establishment of absolute power for its forces. From their contents one can conclude that there is flexibility, realism, patriotic and revolutionary aspirations, and a desire for peace.

FARABUNDO MARTI NOTES U.S. AMBASSADOR'S ARRIVAL

PA070159 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT
6 Sep 83

[Text] New U.S. Ambassador Thomas Pickering, who to date had been described by some as the major absentee in the policy bringing sorrow and death to our people, has finally arrived in San Salvador. Pickering, a student and political protege of Henry Kissinger, the warmongering hawk, has arrived in San Salvador. Among his first tasks will be arranging Pentagon chief Caspar Weinberger's tour, which is to begin in the next few days.

Weinberger is another confirmed hawk who carries the sign of war on his forehead and a raging hatred for everything related to the people in his heart. To all those overseers of death, the real absentee is our combative working people. But nothing and no one will take the reins of destiny away from the sons of Anastacio Aquino and Agustin Farabundo Marti.

HONDURAS

PROMINENT POLITICIANS APPLAUD WEINBERGER VISIT

PA072011 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 7 Sep 83

[Text] Distinguished Honduran politicians have applauded the visit of U.S. Defense Secretary Caspar Weinberger, an honorable representative of the U.S. Government, to Honduras.

The following is the opinion of Romualdo Bueso Penalba, president of the Executive Council of the Liberal Party of Honduras: [begin recording] I believe this visit by the U.S. secretary of defense is an indication of the current importance of Honduras in American policy because of its peaceful and nonbelligerent position, and because it respects international law and all the countries around us. I believe this visit makes us more important in the context of the America nations. [end recording]

Nicolas Cruz Torres, president of the Central Committee of the National Party of Honduras, said the following: [begin recording] I believe he has come in fulfillment of his duty, to witness the degree of efficiency with which the U.S. Army is carrying out exercises with the Honduran Army. The two armies are involved in joint exercises to improve, in particular, the professional and technical level of the Honduran Army. [end recording]

Deputy Carlos Orbin Montoya, vice president of Congress, said: [begin recording] We have seen important persons visit our country -- the pope; president Reagan; the U.S. representative at the United Nations, Kirkpatrick; and prominent Latin Americans. Therefore, there is nothing strange about the U.S. defense secretary visiting us. This visit is a result of the crisis in the region. Let us hope that this sort of visit will contribute to regional peace and to stability and development in Central America. When he arrives, we must make clear to him that the Hondurans want to live in peace, to work, and to develop, and that we want the developed nations to give us economic and technical support. War is no solution. Let us hope visitors will understand this. [end recording]

Miguel Andonie Fernandez, prominent leader of the Innovation and Unity Party, made the following statement: [begin recording] It would be necessary to know the purpose of U.S. Defense Secretary Caspar Weinberger's visit to Honduras in order to evaluate it. The presence here of an important official from a friendly country such as the United States is very significant and of national importance. A visit by an official such as him is a historic event for Honduras. Let us hope his presence will contribute to a solution of the problems of the area.

As I said at the beginning, it is not easy to discuss military matters; therefore, I cannot say much more. However, I see his presence in Honduras as a gesture of U.S. good will toward our country. We want to state our appreciation, and we hope his visit will be fruitful for central America, an area enduring a serious conflict at this moment. [end recording]

CORRECTION TO PAZ BARNICA PRESS CONFERENCE REMARKS

The following correction pertains to the item headlined "Paz Barnica Outlines Proposal for Contadora Meeting," published on P 7 of the 7 September issue of the Latin America DAILY REPORT:

Paragraph five, page P 8, should read as follows: "This proposal, in accordance with the agenda approved in May, includes: in the political area, in addition to the conceptual framework of a theoretical or doctrinary nature, first, a beginning or continuation of the process of internal reconciliation so that dialogue can be established between the governments and the opposition groups, without any exclusions, in those countries where there are domestic conflicts. Second, promoting electoral processes that could be fully, internationally guaranteed. They should culminate in free elections within the first 6 months of 1984 in those regional countries that have announced their intention to return to the constitutional order so that, in this manner, the democratic and pluralistic institutions can be expanded, developed, and strengthened. We know that Guatemala has announced elections for March or April 1984, and that presidential elections have also been announced in El Salvador within the first 6 months of next year.

As this is a fundamental issue, we would like the same thing to happen in Nicaragua within that same period of time, with full electoral guarantee, so that that country can move toward democracy. This is not intervention in Nicaragua's domestic affairs. Certain commitments to democracy are inspired by the international order. As an example, [Colombian] President Belisario Betancur said a few weeks ago that if peace is to be achieved in Central America, democracy must prevail first. This political aspect also includes the following point: The guarantee of respect for and the promotion of human rights, civilian and political, including the rights of ethnic minorities." rewording passage, supplying fuller version.

NICARAGUA

ATTACK ON MANAGUA AIRPORT, DAMAGE REPORTED

Explosives Used

PA081254 Panama City ACAN in Spanish 1244 GMT 8 Sep 83

[Text] Managua, 8 Sep (ACAN-EFE) -- Unofficial sources have reported that Managua's Sandino International Airport was attacked this morning with explosive charges, causing damage that included the destruction of the Protocol Room.

Witnesses told CAN-EFE that three strong detonations were heard at 0600 (1200 GMT) in the installations of the airport and the Sandinist Air Force (FAS). The airport and FAS buildings are located 12 km north of Managua.

Commander Joaquin Cuadra Lacayo, chief of staff of the Sandinist People's Army (EPS), is at Sandino Airport conducting investigations. No official statement on the incident has been issued.

It is unknown whether the explosive devices were dropped from a plane or through other means. The explosion was heard in eastern Managua.

Airport Reported Closed

PA081257 Buenos Aires LATIN in Spanish 1247 GMT 8 Sep 83

[Excerpts] Managua, 8 Sep (LATIN-REUTER) -- Four [as received] strong explosions occurred at Augusto Cesar Sandino International Airport in Managua today and passengers said that the air traffic control tower was in flames.

The explosions also shook an administrative building and the administration offices located on the second floor of the airport, located in the outskirts of Managua.

The Red Cross sent ambulances to the airport, but it was not immediately reported if there were victims. Police said that they were investigating the incident.

Nearby residents said they had heard the noise made by a propeller plane flying low before hearing the explosions, which occurred at 0430 local (1030 GMT).

The explosions occurred after repeated threats from rightist insurgents supported by the United States, who said that they would increase their struggle against the leftist FSLN that rules Nicaragua.

Airport sources said that the airport has been closed to all arrivals and departures. Although there were no government officials immediately available to comment on the cause of the explosions, it appears they were the result of a hostile action.

The sound of a plane which some people said they had heard before the explosion led to speculation that an aircraft that had been flying low had dropped bombs on the airport a few hours before the first regular flights were to begin.

Plane Downed After Bombing

PA081400 Panama City ACAN in Spanish 1338 08 Sep 83

[Text] Managua, 7 [as received] Sep (ACAN-EFE) -- A green Cessna that bombed the Managua international airport this morning has been downed by the Sandinist anti-aircraft defenses, killing the two crewmen. Before being downed, the plane dropped two powerful bombs on the Sandino building, hitting the air terminal's administrative area.

An ACAN-EFE correspondent saw the wrecked aircraft on the taxiways of the airport. The bodies of the two crewmen were in the gardens of the building near the runway.

One of the bombs destroyed the protocol office where Vietnamese Foreign Minister Nguyen Co Thach was to be seen off this morning at the end of an official visit to Nicaragua.

The explosions, which were also heard in eastern Managua, also caused a fire in the building. The action occurred at 0530 (1130 GMT) when passengers were beginning to arrive to travel abroad. So far there has been no report about casualties. Joaquin Cuadra Lacayo, chief of staff of the Sandinist People's Army (EPS), and Interior Minister Tomas Borge arrived at the airport at 0600 to undertake the investigations. The Sandinist authorities have yet to issue any official report on the attack.

The identities of the two individuals responsible for the attack have not been released.

SRV FOREIGN MINISTER THACH ARRIVES ON VISIT

Arrival Remarks Cited

PA070331 Managua Radio Sandino in Spanish 1800 GMT 6 Sep 83

[Text] SRV Foreign Minister Nguyen Co Thach arrived in our country this morning at the invitation of the Nicaraguan Government. Nguyen Co Thach and an official Vietnamese delegation were received at Augusto Cesar Sandino Airport by Foreign Minister Miguel D'Escoto and Foreign Ministry officials.

After a brief interview with journalists, Nguyen Co Thach went to the tomb of Carlos Fonseca, the Sandinist people's revolution commander in chief, where he placed a wreath. Nguyen Co Thach will spend 2 days in Nicaragua. He will meet with Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, and other Nicaraguan Government officials.

Nguyen Co Thach said on his arrival that the United States will have on its hands not one Vietnam, but many Vietnams, if it invades Nicaragua. Following are translated portions of Nguyen Co Thach's statements:

[Begin recording] [Unidentified speaker] My impression is that Nicaragua has developed very solidly in the past 4 years. I am certain that if the United States risked conducting an aggression against Nicaragua, it would not be a second Vietnam; this time the United States would suffer a defeat a thousand times bigger than Vietnam. We are here today to convey to the thousand times heroic people of Nicaragua the sentiments of the heroic people of Vietnam. I am sure that our visit will serve to strengthen our countries' solidarity and active cooperation. Although we are not staying long, I am certain our visit will be fruitful. [end recording]

Cooperation Agreements Signed

PA071546 Managua Radio Sandino Network in Spanish 1200 GMT 7 Sep 83

[Text] The Nicaraguan Government and the SRV yesterday signed two documents that will strengthen trade and political cooperation between these two sister nations. The agreements were signed by Nicaraguan Foreign Minister Miguel D'Escoto and Vietnamese Foreign Minister Nguyen Co Thach, who is visiting our country. One of the agreements establishes [word indistinct] cooperation between the consulates of the two countries in order to strengthen trade agreements. The other agreement will serve to further consolidate political relations between the Sandinist and the socialist Vietnamese revolutions.

U.S. SHIPS, PLANES REPORTEDLY 'HARASSING' BOATS

PA080005 Managua Radio Noticias in Spanish 1200 GMT 7 Sep 83

[Text] Airplanes and other elements of the U.S. Navy are harassing Nicaraguan boats. The Nicaraguan merchant ship "Nicarao" was intercepted by a U.S. frigate on the night of 29 August, according to a report by the ship's captain, Daniel Rosgo. The captain of the Nicaraguan ship "Nicarao" noted that fighter planes and other elements of the U.S. Navy intercepted it and forced it to change course. The "Nicarao" was sailing in the Atlantic Ocean on 28 August, en route to its destination, at latitude 17 degrees, longitude 82 degrees when it was surprised by U.S. fighter planes, which passed over the ship five times. On 29 August at low altitude one of the U.S. ships used its lights to signal to the "Nicarao." The Nicaraguan vessel replied by radio and established communication in English. The crew of the Nicaraguan ship was requested to report the type of cargo it was carrying, its port of origin, and its destination. The U.S. Navy combat vessel -- identified by the Nicaraguan captain as a frigate -- accompanied the "Nicarao" for the next 3 days, until the two ships were 20 miles from the Nicaraguan coast, near Corn Island off Bluefields. It was also reported that the U.S. frigate occasionally closed with the Nicaraguan merchant ship, sometimes moving within 7 miles. The captain said that on the night of 29 August, the U.S. aircraft carrier "Coral Sea" carried out maneuvers 10 miles from the ship. He added that several airplanes flew low over his vessel and that the crew feared they would be bombed.

CORRECTION TO ITEM ON NEW TANK BRIGADE INAUGURATION

The following correction pertains to the item headlined "Managua Reports Inauguration of New Tank Brigade," published on Page P 11 of the 2 September issue of the Latin America DAILY REPORT:

Paragraph one, line two, should read as follows: "...tank brigade bearing the name of Commander Oscar Turcios Chavarria. This was..." correcting name of tank brigade.

HANOI CARRIES CASTRO MESSAGE TO SRV LEADERS

BK071423 Hanoi Domestic Service in Vietnamese 1430 GMT 6 Sep 83

[Greetings message from Fidel Castro Ruz, first secretary of the Cuban Communist Party and president of the Councils of State and Ministers of the Republic of Cuba, to SRV leaders on the occasion of the SRV's 38th National Day -- date not given]

[Text] Dear comrades, on behalf of the Communist Party, the Government, and the people of Cuba, I convey to you my fraternal greetings on the occasion of the 38th independence anniversary of the SRV. We note with great pleasure that under the leadership of the CPV and under the glorious banner of Marxism-Leninism, the Vietnamese people have resolutely and valiantly struggled against aggression by their enemies and carried out with ardor the task of socialist construction in their country, thereby pushing the revolution forward.

Vietnam's foreign policy has been, is, and will be a loyal representation of the interests of all progressive nations struggling for freedom, and a firm banner of proletarian internationalism and the socialist ideal in Southeast Asia. With its unswerving policy of peace aimed at restoring the atmosphere of peace and stability in the region, the SRV has proposed negotiations with the ASEAN countries to resolve all conflicts by peaceful means.

On this occasion, I wish that the close fraternal relationship binding our two parties, governments, and peoples will continue to develop. Once again, may you, comrades, be in good health and score even greater achievements in your lofty duty.

FMLN REPRESENTATIVE DISCUSSES C.A. SITUATION

FL071917 Havana Domestic Service in Spanish 1700 GMT 7 Sep 83

[Text] The 162d anniversary of the first independence of Central America was celebrated yesterday at the Afro-Asian-Latin American People's Solidarity Organization in Havana. At the ceremony, representatives of revolutionary organizations from El Salvador and Guatemala, which are fighting for the second and final independence of the region, presented their evaluations of the present situation in the area.

Jorge Rodriguez, representative of the FMLN in [as heard] the Salvadoran FDR in Cuba, and Lucrecia Manzano, representing the Guatemalan National Revolutionary Unity [URNG], released a document issued by the Central American revolutionary forces. The document accuses the United States of preparing for war in a desperate attempt to try to destroy the Nicaraguan revolution and stop the development of the struggle in El Salvador and Guatemala by preparing a military intervention. In his conversation with the press, Jorge Rodriguez recalled that the Salvadoran guerrillas have in the last year inflicted more than 6,800 casualties on the puppet army, captured 1,166 prisoners of war, and taken more than 2,700 weapons from the enemy, and he declared that the present situation demonstrates that the rebels are winning the war.

He emphasized the serious efforts being made by the Contadora Group to achieve peace in the region and pointed out that Washington and its allies are making desperate efforts to prevent a negotiated solution of the conflict. In this regard, he evaluated the visits to the area by officials at the service of the imperialist interests and the manner in which Reagan is using the present negotiating process between the parties involved in the conflict. He added:

[Begin Rodriguez recording] In 1982, when the war inside the country intensified and began to change the correlation of the equilibrium of the war in El Salvador that supposedly existed until 1982, and began to break up, they know it began to break up, that the army began to lose the war... [sentence as heard]

I believe that this was when personalities began to arrive in El Salvador. They arrived in El Salvador, Honduras, Costa Rica, and even Reagan himself arrived in December 1982. Ariel Sharon arrived and all the others. Kirkpatrick arrived, and they even sent the pope to look at the situation and see what he could do about the Central American situation.

I believe that Central America has turned into the hottest spot for them. We would not be surprised if this personality, Weinberger, makes this trip. We believe that all these visits by these sinister personalities are practically always made to find ways to vanquish the FMLN forces and to really destroy the Nicaraguan revolution. This is why we say and continue to insist that dialogue is just an imperialist smokescreen, because we cannot understand how they can simply spend airline tickets for four persons to go off and talk in some country. At the same time that they are talking about dialogue, they are spending hundreds of millions of dollars to bring the war to Central America. [end recording]

RODRIGUEZ RECEIVES CANADIAN, SWEDISH VISITORS

FL071627 Havana Domestic Service in Spanish 1400 GMT 7 Sep 83

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has received Eugene Whelan, Canadian agriculture minister, who is visiting our country at the invitation of the Cuban agriculture minister.

The role of Canada's technical and scientific aid to Cuba was discussed during the meeting, especially that provided for agriculture and livestock. Future prospects for exchanges between the two countries were also discussed.

Carlos Rafael Rodriguez also received (Gertrude Stefensson), health and social affairs minister of the Kingdom of Sweden, and the delegation accompanying her, composed of [name indistinct], division chief of the Health Ministry; (Bertal Whitman), adviser of the Public Health Department; and (Lars Halmar White), from the Foreign Affairs Ministry. The health systems and scientific and technical cooperation between the two countries in this field were discussed at the meeting.

Canadian Agriculture Minister Departs

FL071747 Havana Domestic Television Service in Spanish 1700 GMT 7 Sep 83

[Text] Canadian Agriculture Minister Eugene Whelan was seen off at the Jose Marti International Airport in Rancho Boyeros at the end of a 4-day visit to our country. He was seen off by Cuban Agriculture Minister Adolfo Diaz and other high-ranking Cuban agriculture officials.

During his visit to Cuba, Eugene Whelan met with leaders and officials of the Cuban Government and visited Agriculture Ministry production and research centers.

Questioned on the results of his visit, Whelan said it was beneficial, adding that it will lead to future contacts that will be mutually beneficial for Canada and Cuba. The national health center for agriculture and livestock and the Valles de Picadura Genetic Plan were among the places visited by the Canadian agriculture minister.

'OUR AMERICA' COMMENTARY VIEWS CHILEAN PROTESTS

PA070322 Havana International Service in Spanish 2310 GMT 6 Sep 83

["Our America" commentary]

[Text] On Thursday, 8 September, the Chilean people will conduct their fifth national protest to demand, as before, an end to the fascist-military dictatorship and the speedy reestablishment of a democratic system. This action is especially significant because it will take place only a few days before the 10th anniversary of the military coup that overthrew President Salvador Allende's government. This coup imposed a fascist regime that has put national development back decades and plunged the country into a deep crisis affecting even the sectors that supported the bloody putsch of 11 September 1973.

As Monsignor Jose Manuel Santos, president of the Chilean Episcopalian Conference, has said, the situation has reached a climax. Augusto Pinochet's regime has been evidencing weakness for a long time. Proof of this is the announced opening, which cannot be carried out by a regime such as this one, which at the same time is carrying out a brutal, sadistic, and desperate repression. This practice is allowing the tyrant to remain in power.

Western media have admitted that the announcement of the opening is the result of the four national protests during which the people, with great courage, expressed their demand for respect of their rights. During the fourth protest drive in August, the unanimous demand throughout Chile was for Pinochet's resignation as president, a post he usurped 10 years ago. The tyrant's answer was repression -- almost 30 dead, 100 wounded, and 1,500 detained.

Just as Pinochet is walking a tightrope to maintain control over the Chilean political situation, the U.S. Government is also maintaining a balancing policy toward the Chilean regime through a mixture of remoteness and pressure.

According to reports from Washington, the concept was described as a very delicate diplomatic combination. The U.S. Government very cautiously exerts pressure to force democratic-like changes in order to avert a popular uprising. At the same time, the U.S. Government maintains its support for the fascist Chilean dictatorship with an apparent remoteness, so as not to appear linked with the repressive faction.

This explains why the U.S. State Department issued a statement immediately after each of the four national protests carried out in Chile.

Chilean sources in exile have asserted that the current Chilean interior minister, Sergio Onofre Jarpa, is the man selected by the United States to find a graceful way out for Augusto Pinochet if the situation continues to deteriorate. Not long ago Pinochet stated that he would die in power and that no elections would be held in Chile. Now the tyrant is trying to show flexibility. But now it is even more evident that his only power resides in arms.

According to some observers, Pinochet will not retire as long as he believes the Army is on his side. He will change ministers and generals and will seek a compromise with the bourgeois opposition; all this to keep himself in power.

For the Chilean people, this is the moment of struggle and of unity, of struggle without any compromise with the regime.

GRENADACOMMUNIQUE MARKS END OF VISIT BY SRV'S THACH

FLO71830 Bridgetown CANA in English 1809 GMT 7 Sep 83

[Text] St Georges, Grenada, Sept 7, CANA -- Following is a communique released by Grenada and the Socialist Republic of Vietnam at the end of a visit here by Foreign Minister Nguyen Co Thach:

In fulfilment of an invitation by Foreign Minister Unison Whiteman issued on behalf of the People's Revolutionary Government of Grenada, his excellency Nguyen Co Thach, alternate member of the Political Bureau of the Communist Party and minister of foreign affairs of the Socialist Republic of Vietnam, paid a friendly visit to Grenada from September 1st to 3rd, 1983.

Minister Nguyen Co Thach was received by Prime Minister of Grenada Maurice Bishop. This meeting took place in an atmosphere of warm friendship characterized by a spirit of militant solidarity and understanding. Foreign Minister Nguyen Co Thach held talks with Minister of Foreign Affairs of the People's Revolutionary Government of Grenada Unison Whiteman. These talks were similarly marked by an atmosphere of friendship, solidarity, and cooperation, resulting in agreement on a number of wide-ranging topics.

The Grenadian side paid tribute to the Government and courageous people of Vietnam and underlined the historic significance of the Vietnamese victory to the peoples all over the world. In particular, the Grenadian side hailed the defeat of United States imperialism, the reunification of Vietnam, and the great efforts and steady progress made by the brotherly and fraternal Vietnamese people in the defence of the motherland against new aggressions in the consolidation and development of their revolutionary achievements.

The Grenadian side especially hailed the resolutions adopted at the 5th Congress of the Communist Party of Vietnam and the wise and effective leadership of the party and the Government of the Socialist Republic of Vietnam by General Secretary Le Duan. The Grenadian side strongly condemned the pressures, provocations, and threats of aggression against Vietnam by imperialism and reactionary forces in that region aimed at preventing the Vietnamese people and the people of Indo-China from constructing a new future.

The Vietnamese side hailed the great historic significance of the glorious revolution of March 13, 1979 and the exemplary nature of the struggle of the Grenadian people to other oppressed peoples of the Americas and indeed of the Third World. The Vietnamese side particularly praised the clear-sighted leadership provided by the New Jewel Movement and the chairman of the Political Bureau of the party and prime minister of the People's Revolutionary Government, Comrade Maurice Bishop. The Vietnamese side took note with satisfaction of the significant advances made by the Grenada revolution in several areas of activity including education, literacy, health, popular democracy, and defence, and the construction of an international airport to speed up the development of the economy.

The Vietnamese side strongly condemned the attempts by imperialism to destabilize the Grenada revolution, to pressure and provoke the People's Revolutionary Government, and to threaten the country with blockade, invasion, and other acts of open aggression.

The Vietnamese side especially expressed its deep concern over the regular military manoeuvres in the Caribbean, including the waters and air-space of Grenada, and the continued efforts of the Reagan administration to strangle the Grenadian economy by using its power and influence to cut off the flow of international assistance. The Vietnamese side noted that all such acts were aimed at preventing the heroic people of Grenada from building their future along the path they have chosen.

The Vietnamese side reaffirmed its full support for the active foreign policy by the People's Revolutionary Government of Grenada aimed at achieving an atmosphere of tranquillity and cooperation in this region and to ensure international recognition of the Caribbean area as a zone of peace, independence, and development. The Vietnamese side also hailed Grenada's staunch anti-colonialist and anti-imperialist position, its support for the international liberation movements, and its efforts in international fora towards achievement to detente, disarmament, and world peace.

The Vietnamese side voiced the militant solidarity of the party, Government, and people of Vietnam with the NJM party, the People's Revolutionary Government, and people of Grenada as they strive to fulfill the important political, economic and social responsibilities for this the year of political and academic education, whilst at the same time they prepared themselves fully to defend Grenada and the Grenada revolution against all schemes of subversion, sabotage, and aggression which are planned by imperialism for execution by its most reactionary agents and tools.

On examining the international situation, both sides agreed that the most urgent issue facing mankind at this time is the question of peace. Both sides concurred that the most aggressive circles of imperialism wanted war and were busily preparing for a nuclear holocaust. They agreed that the unity and the struggle of all democratic and peace-loving forces of the world to avoid war has never been as critical as it is at this time. In this context, both sides expressed respect and admiration for the peace movement and those public figures in the United States who oppose the policy of warmongering and the massive build up of the most destructive nuclear arsenal mankind has ever had to contend with.

Both sides praised the consistently positive attitude and the constructive proposals put forward by the Soviet Union and the socialist community aimed at averting war and achieving lasting peace. In particular both sides welcomed the most recent proposal of the Soviet Union which calls for a mutual agreement on medium range missiles in Europe. They urged that the opportunity offered by this suggestion be grasped so a fresh advance can be achieved in these negotiations and new hope found for mankind.

The two sides took particular notice of the successes achieved by the national liberation movements and agreed that the advance of the revolutionary peoples and the socialist countries is changing the world's balance of forces in favor of peace, social and economic progress, and genuine people's power. They concurred that the legitimate aspirations of peoples for total liberation is an important historical development of our times and constitute a major force in the struggle against imperialism, neo-colonialism, and racism.

The Vietnamese side took note of the increasing strength and appeal of the call for an international regime to assist the small island developing countries. The Vietnamese side praised the frontline role Grenada is playing in this struggle and gave its full support to the initiative.

On discussing the situation in the Caribbean and Latin America both sides acknowledged the presence of new and revolutionary political developments in the region which had come about as a result of the determination of its peoples to be free and to achieve real progress after centuries of colonialist and imperialist oppression.

They expressed firm support for these aspirations and for the inalienable rights of the Caribbean and Latin American peoples to develop their chosen political and economic process free from imperialist pressures.

Both sides expressed their firm and unwavering solidarity with the Nicaraguan revolution, the government of the Sandinista National Liberation Front, and the heroic people of Nicaragua in their struggle for freedom from imperialist domination, threats, and pressures.

They vigorously condemned the conspiracies of imperialism and its surrogates to destabilize and overthrow the Nicaraguan revolutionary process and impose upon a free people the horrors of Somozaism, fascism, and imperialism.

Both sides emphasized the need for all nations to recognize and respect the right of the Nicaraguan people to develop their revolutionary and democratic process begun after years of sacrifice.

In that context they gave their complete support to the six point proposal enunciated by Nicaraguan leader Commander Daniel Ortega as a basis for meaningful negotiations, as well as the recent proposals made by President Fidel Castro on the Central American issue. Similarly, they welcomed the initiative of the Contadora Group of nations which is striving to achieve a formula for peace and security in Central America.

Both sides strongly condemned the brutal repression of the peoples of El Salvador and Guatemala by successive fascistic and genocidal regimes installed by imperialism by means of the usual palace coups or by sham elections.

The two sides called for a negotiated political solution to the situation in El Salvador and reaffirmed their full support for the Mexican-French declaration of August 1981 which recognized the Farabundo Marti National Liberation Front/Democratic Revolutionary Front alliance as a representative political force.

Both sides expressed unshakeable solidarity with the Government and people of Cuba in their historic task of socialist construction and national defence.

They demanded an end to all acts of hostility against Cuba, including the economic blockage and frequent threats of military aggression. They called for the immediate return to Cuban sovereignty of the Guantanamo territory illegally occupied by U.S. military forces.

Both sides supported the just struggle of the people of Puerto Rico for their right to self-determination and independence from U.S. colonial rule.

They likewise expressed their solidarity with the freedom fighters who are struggling against the fascist and dictatorial regimes in Chile, Uruguay, Haiti, Guatemala, and Paraguay.

Both sides supported Panama in its struggle to ensure that the United States Government respects Panamanian sovereignty over the canal and faithfully implements the canal treaties.

They also called for total respect by all countries of the independence and territorial integrity of Belize and Guyana.

Both sides expressed alarm at the persistent military manoeuvres in the Caribbean and the open threats to the peace and security of Nicaragua, Cuba, Grenada and Suriname especially. They resolutely condemned these and all other attempts at violating the sovereign rights of the peoples of the region to determine their own destiny.

The Grenadian side fully supported the active and persistent measures pursued by Vietnam, Laos, and Kampuchea aimed at safeguarding their independence, sovereignty, and security, and contributing to the objective of turning Southeast Asia into a zone of peace, stability, and cooperation.

The two sides reaffirmed their militant solidarity with the cause of national construction and defence of the Laotian and Kampuchean people.

They noted that under the leadership of the Government of the People's Republic of Kampuchea, significant advances had taken place in that country: The revolutionary process has been consolidated, and programmes of economic development have been initiated after the massacre of the genocidal Pol-Pot regime.

The Grenadian side considered that the summit conference of the three Indo-Chinese countries held in February 1983 marked a new stage in the friendship and solidarity between the three Indo-Chinese countries, thus greatly contributing to peace in Southeast Asia.

The Grenadian side expressed support for the decision of Vietnam to gradually withdraw its volunteer troops from Kampuchea and agreed that this decision clearly shows the unswerving policy of the Socialist Republic of Vietnam to respect the independence and sovereignty of Kampuchea.

Both sides agreed that the so-called Coalition Government of Democratic Kampuchea has no legal or moral right to represent the Kampuchean people at any international forum and demanded the re-establishment of the legitimate rights of representation of the People's Republic of Kampuchea at the United Nations.

The two sides strongly condemned the hegemonistic and antagonistic policies of the international reactionary forces against the Vietnam, Laos, and Kampuchea revolutions.

They reiterated that the political problems of the region can be solved only through peaceful negotiation among the countries in the region on the basis of equality, respect for the legitimate interest of each country, non-imposition on one another, and non-intervention of outside forces.

They called for mutual respect for the sovereignty and integrity of all states in Southeast Asia and for a spirit of good-neighborliness among all peoples. Accordingly, they rejected the concept of any state threatening to teach lessons to its neighbors.

Both sides expressed their solidarity with the struggle of the Peoples Democratic Republic of Korea for the immediate and total withdrawal of the U.S. troops from South Korea and for peaceful unification of the country without foreign interference.

In considering developments on the continent of Africa, both sides agreed that the greatest threat to the peoples of Africa lay in the plots made by imperialism and its off-shoot, apartheid, to perpetrate the subjugation and exploitation of the continent.

Both sides strongly condemned the aggressive acts of the South African racist regime against the Front-Line States and expressed full support for the ANC [African National Congress] in its struggle against the fascist clique in Pretoria and for SWAPO, the sole and authentic representative of the Namibians, in the long fight for the just realization of the independence of their country.

In this context, they called for the full and immediate implementation of the United Nations plan for the independence of Namibia and totally rejected the ill-conceived policy of linking Namibian independence to the withdrawal of Cuban forces from our sister Republic of Angola.

Both sides expressed their full support for the Saharawi Arab Democratic Republic and the vanguard movement of the Saharawi people, the Polisario front.

The two sides condemned the attempts of the United States to intimidate Libya, including encroaching within Libya's coastal waters and violating that country's air space. They demanded an end to all such acts of hostility and adventurism against the Libya Jamahiriyyah.

Both sides supported the efforts to have the Indian Ocean recognized and respected as a zone of peace.

Both sides expressed the view that a just and lasting peace in the Middle East can only be achieved after Israel withdraws from the occupied Arab territories, abandons the expansionist policy of Zionism, and recognizes the legitimate right of the Palestinian people to establish a free and independent state in Palestine.

Both sides strongly condemned Israeli aggression against the people of Lebanon, Palestine, and other Arab peoples. They reaffirmed their solidarity with the heroic struggle of the indomitable Palestinian people under the leadership of the PLO, their sole authentic representative.

Both sides agreed that the nature of the present international situation underlined the historic role which the nonaligned movement is called upon to play in the fight for justice and world peace.

They expressed recognition of the positive advances made by the movement and highly appreciated the great contribution of President Fidel Castro.

Both sides hailed the successes achieved by the 7th summit held under the chairmanship of Mrs Indira Ghandi of India and expressed confidence that this event has given great impetus to the struggle of the peoples of the world against imperialism, colonialism and neo-colonialism, racism, Zionism and apartheid, expansionism and hegemony, and in favour of peace, national liberation, and for a just and equitable international order.

Both sides expressed their complete satisfaction at the results of the friendly visit of the minister of foreign affairs of Vietnam to Grenada. The visit would contribute to increased collaboration between both countries and to further development of the fraternal friendship and solidarity between both countries.

The foreign minister of Vietnam, Nguyen Co Thach, expressed deep gratitude for the warm and brotherly welcome and genuine hospitality accorded to him by Foreign Minister Unison Whiteman and by the Government and people of Grenada.